

DIRECTORS' REPORT

To

The Members,

ZAGGLE PREPAID OCEAN SERVICES LIMITED

(Formerly known as Zaggle Prepaid Ocean Services Private Limited)

Your Directors have pleasure in presenting the 11th Directors Report of the Company together with the Audited Financial Statements along with the Independent Auditor's Report for the financial year ended 31st March, 2022.

1. FINANCIAL SUMMARY

The Summary of the Company's financial performance for the financial year 2021-2022 as compared to the previous financial year 2020-2021 is given below:

Particulars	Year ended on 31 st March (Rupees in Lakhs)	
	2022	2021
Total Revenue	37,166.40	24,029.30
Total Expenses	32,048.55	22,209.46
Profit or (Loss) before Exceptional and Extraordinary items and Tax	5,117.85	1,819.84
Less: Exceptional Items	-	-
Less: Extraordinary Items	-	-
Profit or (Loss) before Tax	5,117.85	1,819.84
Less: Current Tax	107.90	-
Deferred Tax Liability/(Asset)	817.80	(113.20)
Profit or Loss After Tax	4,192.15	1,933.04
Add: Balance as per last Balance Sheet	(4,799.01)	(6,731.97)
Less: Transfer to Reserves	-	-
Add : Scheme of Arrangement	(937.52)	-
Balance Transferred to Balance Sheet	(1,544.39)	(4,799.01)

2. DIVIDEND

Your directors have not recommended any dividend on equity shares for the year under review.

3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 (the Act) do not apply as there was no amount in the unclaimed dividend account remaining unpaid under sub-section (5) of section 124 of the Companies Act, 2013.

4. AMOUNT TO BE TRANSFERRED TO RESERVE

During the year the Company has not proposed to transfer any amount to the General reserve of the Company.

**Zaggle Prepaid Ocean Services Limited**

(formerly known as Zaggle Prepaid Ocean Services Private Limited)

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CIN : U65999TG2011PLC074795 | PAN : AAACZ4965E | accounts.hyd@zaggle.in | www.zaggle.in

5. REVIEW OF BUSINESS OPERATIONS / STATE OF COMPANIES AFFAIR

The Company has recorded total gross revenue of Rs. 37,125.50 lakhs during the year as against Rs. 23,996.60 lakhs in the previous year, recording a quantum jump of over 54.71% in the total revenue. The net profit after provision for tax is Rs. 4,192.15 lakhs as against net profit after tax of Rs. 1,933.04 lakhs in the previous year.

Your Directors are optimistic about Company's business and hopeful of better performance with increased revenue in the current year.

6. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no material change in the nature of business affecting the financial position of the Company for the year ended 31st March, 2022, However, Subsequent to March 31, 2022, the Company has undertaken following transactions:

- a) Main Object 3rd(a) altered vide special resolution passed at the Extra Ordinary General meeting held on July 27, 2022.
- b) Further the clauses comprised in these Memorandum of Association were adopted as per Table A of Companies Act, 2013 and pursuant to members special resolution passed at the Extra-Ordinary General Meeting of the Company held on July 27, 2022, in substitution for the earlier Memorandum of Association of the Company.
- c) The Company was converted into a public limited company under the Companies Act, 2013, pursuant to a special resolution passed by our Shareholders at the Extra Ordinary General Meeting held on August 22, 2022 and consequently, the name of our Company was changed to 'Zaggle Prepaid Ocean Services Limited' and a fresh certificate of incorporation dated September 13, 2022 was issued by the Registrar of Companies, Telangana at Hyderabad (the "RoC").

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

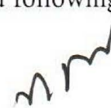
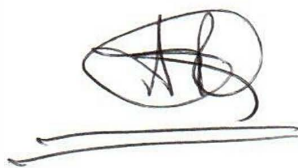
The Directors of the Company are eminent persons of proven competencies and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, they have a significant degree of commitment towards the Company and devote adequate time to the meetings. The Company recognizes and embraces the importance of a diverse board in its success.

The Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, industry experience and gender which will help the Company to retain its competitive advantage.

During the year under review, the Company has appointed Mr. Vidya Niwas Khetawat as Chief Financial Officer (CFO) of the Company w.e.f. December 10, 2021 and later on he was promoted as Chief Strategy Officer (CSO) of the Company w.e.f. August 25, 2022 and Mr. Venkata Aditya Kumar Grandhi joined the Company on as vice president-finance and accounts on May 9, 2022 was appointed as Chief Financial Officer (CFO) w.e.f. August 25, 2022 and the Company has appointed Ms. Hari Priya as Company secretary of the Company w.e.f. January 18, 2022.

Further the Company has appointed Mr. Abhay Deshpande Raosaheb as Additional Director in the Board Meeting held on August 22nd 2022

Further the Company in its Board Meeting held on September 26, 2022 as appointed following Director on the Board of the Company:



Sl. No.	Name of Director(s)	Designation
1	Mr. Arun Vijaykumar Gupta	Additional Director
2	Mr. Abhay Deshpande Raosaheb	Independent Director
3	Mr. Aravamudan Krishna Kumar	Additional Director
4	Mr. Aravamudan Krishna Kumar	Independent Director
5	Mrs. Prerna Tandon	Additional Director
6	Mrs. Prerna Tandon	Independent Director

Further the shareholder of the Company has approved the appointment of the following Directors in its Extra Ordinary General Meeting held on September 27, 2022:

Sl. No.	Name of Director(s)	Designation
1	Mr. Arun Vijaykumar Gupta	Non Executive Director
2	Mr. Abhay Deshpande Raosaheb	Independent Director
3	Mr. Aravamudan Krishna Kumar	Independent Director
4	Mrs. Prerna Tandon	Independent Director

8. SHARES

The Companies Authorized Share Capital was Rs. 2,00,00,000 divided into 20,00,000 Equity Shares of Rs. 10 each, which was increased to Rs. 5,10,37,850 divided into 51,03,785 Equity Shares of Rs. 10 each pursuant to scheme of Arrangement (Scheme) under section 233 of the companies Act, 2013 between MAGIXO IRM SOLUTIONS PVT LTD (Magixo) and the Company, Since Magixo was a wholly-owned subsidiary of our Company, no shares were issued under the Scheme.

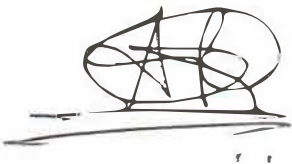
The Companies Authorized Share Capital was Rs. 5,10,37,850 divided into 51,03,785 Equity Shares of Rs. 10 each and Paid up capital as on March 31, 2022 was Rs. 18,00,000 divided into 1,80,000 Equity Shares of Rs. 10 each.

Subsequent to March 31, 2022, the Company has undertaken following transactions:

1. Pursuant to a resolution passed by our Board at their meeting dated April 7, 2022 and the Shareholders at their extraordinary general meeting dated April 21, 2022, has approved to issue Equity Share on Preferential basis by way of private placement, Further the allotment details are as follow:

Sl No.	Date of Allotment	No. of Equity Shares Issued
1	18.05.2022	425
2	02.06.2022	216
3	21.06.2022	153
4	30.06.2022	27
Total		821

2. Pursuant to a resolution passed by our Board of Directors at their meeting dated July 14, 2022 and the Shareholders at their extraordinary general meeting dated July 27, 2022, the Company has increased its authorized share capital from Rs. 5,10,37,850/- to Rs. 12,00,00,000/-.
3. Pursuant to a resolution passed by our Board of Directors at their meeting dated July 14, 2022 and the Shareholders at their extraordinary general meeting dated July 27, 2022, the Company has sub-divided its authorized and paid share capital from face value of ₹10 to face value of Rs.1 each aggregating to Rs. 12,00,00,000/-.





4. Pursuant to a resolution passed by our Board of Directors at their meeting dated July 14, 2022 and the Shareholders at their extraordinary general meeting dated July 27, 2022, the Company has issued Bonus Share in the ratio of 50:1
 5. Pursuant to the Bonus issue the Companies Paid up capital has increased to Rs. 9,22,18,710/-.
9. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year as on 31st March, 2022 and the date of this report.

10. HOLDING COMPANY, SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any holding, Joint venture or Associate Company during the year under review.

Pursuant to the resolution passed by our Board at their meeting dated May 31, 2021 and the Shareholders' at their extraordinary general meeting dated June 21, 2021, Company acquired 4,25,128 equity shares bearing face value of Rs.10/- each of Magixo, for an aggregate total consideration of Rs.12.83 million. As a result, Magixo became a wholly-owned subsidiary of our Company.

Further the Company filed a Scheme of Arrangement under Section 233 of the Companies Act, 2013, read with Rule 25 the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 before the Office of the Regional Director, South East Region, Hyderabad (the "Scheme"). The Scheme of Arrangement was approved by our Board and our Shareholders at their meetings dated November 15, 2021 and January 22, 2022, respectively.

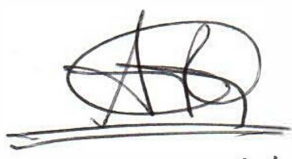
The Scheme of Arrangement was approved by the Joint Director, Office of the Regional Director, South East Region, Hyderabad on March 1, 2022. With effect from the appointed date, i.e., November 1, 2021, the entire business and the whole of the undertaking (including properties, assets, liabilities, debt, duties, responsibilities and obligations) of Magixo stands transferred to our Company on an ongoing concern basis. Since Magixo was a wholly-owned subsidiary of our Company, no shares were issued under the Scheme of Arrangement.

11. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

A statement giving particulars as required by the provision of the Section 197 (12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished in **ANNEXURE-I** hereto.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **ANNEXURE-II** and is attached to this report.



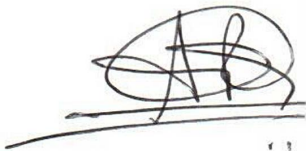
13. ZAGGLE EMPLOYEE STOCK OPTION SCHEME 2022

The members of the Company has approved the Zaggle Employee Stock Option Scheme 2022” (hereinafter referred to as the “Scheme” or “ZAGGLE ESOP 2022”) in its Extra- Ordinary Meeting held on 27th September, 2022 and the Company proposes to constitute the Nomination & Remuneration Committee in accordance with the regulation 19 of Securities and Exchange Board of India (Listing Obligation and disclosure Requirements) Regulations, 2015 and the Nomination and Remuneration Committee shall be designated as Compensation Committee for the purpose of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 to monitor the Scheme. ESOP Pool of 46,10,936 options is being created and options shall be granted as may be decided by the Compensation Committee.

A statement of disclosure as required under Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014.

Sl No.	Particular(s)	Zaggle Employee Stock Option Scheme 2022” (hereinafter referred to as the “Scheme” or “ZAGGLE ESOP 2022”)
	(a) options granted:	NIL
	(b) options vested	NIL
	(c) options exercised	NIL
	(d) the total number of shares arising as a result of exercise of option	NIL
	(e) options lapsed	NIL
	(f) the exercise price	NA
	(g) variation of terms of options	NA
	(h) money realized by exercise of options	NA
	(i) total number of options in force	NIL
	(j) employee wise details of options granted to:-	
	(i) key managerial personnel	NIL
	(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	NIL
	(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	NIL

A statement of disclosure as required under regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 read with Part F- Disclosures by the Board of Directors has been placed on the website of the Company at <https://www.zaggle.in>.





14. DEPOSITS

During the year under review, the Company has neither invited nor accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Pursuant to the provisions of Rule 2(1) (c) (viii) of the Companies (Acceptance of Deposits) Rules, 2014, the Company has accepted the Loans from Mr. Raj P Narayanam, Executive Chairman of the Company. As on 31st March 2022, the said loans were repaid by the Company. The details of the same are provided in notes to financial statements.

Since the Company has not accepted any fixed deposit covered under Chapter V of the Companies Act, 2013, there are no deposits remaining unclaimed or unpaid as on 31st March, 2022 and accordingly, the question of default in repayment of deposits or payment of interest thereon during the year does not arise.

15. AUDITORS

(a) Statutory Auditors

M/s P R S V & Co LLP, Chartered Accountants, Hyderabad (Firm Registration No.S-200016) had been reappointed as Statutory Auditors for the period of five years to hold office from the conclusion of 9th Annual General Meeting till the conclusion of 14th Annual General Meeting in the Annual General Meeting held on 24th December, 2020.

Further M/s., Chartered Accountants, Hyderabad (Firm Registration No. 105047W) was appointed as a Joint Statutory Auditors of the Company along with M/s P R S V & Co LLP. to hold the office till the conclusion of 11th Annual General Meeting, in the Extra Ordinary General Meeting held on 19th May, 2022. The Company has received a Certificate from M/s M S K A & Associates confirming that they are not disqualified from continuing as Statutory Auditors of the Company.

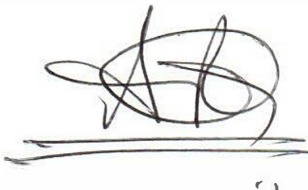
Further in order to ensure smooth transition of the auditing process and seamless integration of the Auditors with the system and process of the Company, it is proposed to re appoint M/s. M S K A & Associates, Chartered Accountants, Hyderabad (Firm Registration No. 105047W) as Joint Statutory Auditors of the Company along with M/s P R S V & Co LLP. to hold the office for a period of 4 (Four) consecutive years from the conclusion of this 11th (Eleventh) Annual General Meeting until the conclusion of 15th (Fifteenth) Annual General Meeting.

b) Cost Auditor

The provisions of Section 148 of the Companies Act, 2013 read with rule 3 of the Companies (Cost Records and Audit) Rules, 2014 do not apply to the Company. Accordingly, the Company is not required to appoint a Cost Auditor.

c) Secretarial Auditor

The provisions of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 do not apply to the Company for the financial year ended on 31st March 2022.



Further, M/s. S.S. Reddy & Associates, was appointed as a Secretarial Auditor of the Company for the financial year 2022-23 in its Board Meeting held on 26th September, 2022.

d) Internal Auditor

M/s. R Y & Co., Chartered Accountants (Registration No.002270S), were appointed as an Internal Auditor of the Company for the Financial Year 2021-2022.

16. COMMENTS ON AUDITORS REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by the Auditors in their report except an observation at vii (b) in the Annexure-B to the Auditors' Report stating the dues outstanding of service tax (Rs.272.04 Millions), which have not been deposited with the appropriate authorities on account of disputes.

The Company is confident of its claims on the disputed taxes and has exercised its right not to deposit the disputed tax unless and until adjudicated finally by the appropriate authorities.

17. RISK MANAGEMENT POLICY

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor & take precautionary measures in respect of the events that may pose risks for the business. The Company proposes to formulate the Risk Management Policy which shall apply best practice in identifying, evaluating and cost-effectively controlling risks to ensure that any residual risks are at an acceptable level. Whilst it is not possible to eliminate risk absolutely, effort is underway to actively promote and apply best practices at all levels and to all its activities, including its dealing with external partners.

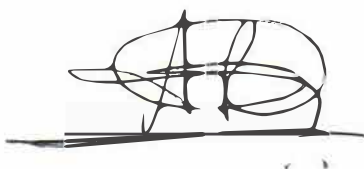
18. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The net profit of the Company was Rs. 24.47 Crores for the Financial Year ended 31st March, 2021 exceeded Rs.5 Crores. However, Average net profit of the company as per section 135(5) is negative, so Company does not require to spend on CSR Activities. Accordingly, The Company was not required to comply with the provisions of Corporate Social Responsibility (CSR) specified under Section 135 and the Companies (CSR Policy) Rules, 2014 for the Financial Year 2021-22.

However, the Board of Directors had formulated a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken and the Company propose to constitute any Corporate Social Responsibility Committee (CSR Committee). A copy of CSR Policy is available on the website of the Company and can be accessed on the Company's website at the link "www.zaggle.in".

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There were no loans given, guarantees or securities provided or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable. Further, suitable disclosures as required by the Accounting Standards (AS18) have been made in the notes forming part of the Financial Statements.



20. RELATED PARTY TRANSACTIONS

No statement giving particulars of contracts or arrangements made with related parties, under Section 188 of the Companies Act, 2013, as required pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014 is annexed hereto as the Company has not entered into such contracts or arrangements or transactions during the year under review. Further, suitable disclosures as required by the Accounting Standards (AS18) have been made in the notes forming part of the Financial Statements.

21. COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES.

The provisions of Section 178(1) of the Act relating to constitution of Nomination and Remuneration Committee are applicable to the Company. Further the Company propose to constitute the Nomination and Remuneration Committee and accordingly, the relevant policies will be adopted by the Company.

22. ANNUAL RETURN AND PLACING OF COPY THEREOF ON WEBSITE OF THE COMPANY

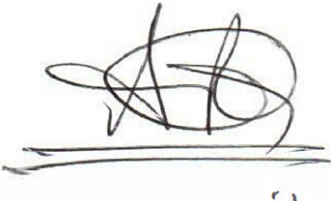
The Annual Return of the Company for the financial year 2021-22 as required under Section 92(3) of the Companies Act, 2013 is available on the website of the Company and can be accessed on the Company's website at the link "www.zaggle.in".

23. MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on the Company's policies and strategy apart from other Board matters.

The Company has conducted 15 (Fifteen) Board meetings during the financial year under review as follows.

S. No.	Date of meeting	Total No. of Directors on the Date of Meeting	No. of Directors attended	% of Attendance
1	30/04/2021	2	2	100%
2	31/05/2021	2	2	100%
3	28/06/2021	2	2	100%
4	30/07/2021	2	2	100%
5	17/09/2021	2	2	100%
6	25/10/2021	2	2	100%
7	15/11/2021	2	2	100%
8	10/12/2021	2	2	100%
9	24/12/2021	2	2	100%
10	05/01/2022	2	2	100%
11	10/01/2022	2	2	100%
12	18/01/2022	2	2	100%
13	18/02/2022	2	2	100%
14	24/02/2022	2	2	100%
15	03/03/2022	2	2	100%



The Intervening gap between the two Board Meetings did not exceed 120 days.

24. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (c) and Section 134(5) of the Companies Act, 2013, your Directors hereby report that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. DETAILS OF FRAUD REPORTED BY AUDITORS

There were no instances of frauds identified or reported by the Statutory Auditors during the course of their audit pursuant to Section 143 (12) of the Companies Act, 2013.

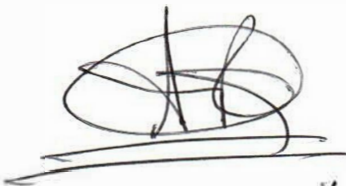
26. COMPOUNDING

The Company has approved the Employee Stock Options Scheme in the financial year 2017-18 and accordingly the Company was required to disclose the details as required under 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 in its Directors Report for the financial year ended 31.03.2018, however the same has not been disclosed in Directors Report.

In this regard, the Company has filed the Compounding petition before the Regional Director (RD), South East Region, Hyderabad to Condone and compound the violation of 12(9) of the Companies (Share Capital and Debentures) Rules, 2014. At present, the petition is pending for Adjudication.

27. DECLARATION OF INDEPENDENT DIRECTORS

During the period, the Company is not required to have Independent directors on the Board being a private limited Company. However, the Company was converted into a public limited company under the Companies Act, 2013, and accordingly a fresh certificate of incorporation dated September 13, 2022 was issued by the Registrar of Companies, Telangana at Hyderabad (the "RoC").



Further, pursuant to section 149(6) of the Companies Act read with the Companies (Appointment and Qualification of Directors) Rules, 201 the Company has received declaration of independence from the Independent Directors and accordingly the Independent Directors were appointed in the Board Meeting held on 26th September 2022

Considering the requirement of skill sets on the Board, persons having an independent standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions, for appointment, as an Independent Director on the Board. The Board, inter alia, considers qualification, positive attributes, area of expertise, integrity and experience (including proficiency) and number of Directorship(s) and Membership(s) held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence and recommends to the Board their appointment. The Board confirms that all the independent directors possess the required proficiency to continue as independent director.

The Independent Directors have also confirmed that they have complied Company's Code of Conduct and that they possess valid Registration certificate in Independent Directors' Databank.

28. AUDIT COMMITTEE AND VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are applicable to the Company and the Company propose to constitute the Audit Committee.

The Company propose to formulate a Vigil Mechanism for its employees including directors of the Company to report genuine concerns pursuant to the provisions of the Section 177(10) of the Companies Act, 2013

29. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted the Internal Complaints Committee in accordance with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder during the year under review.

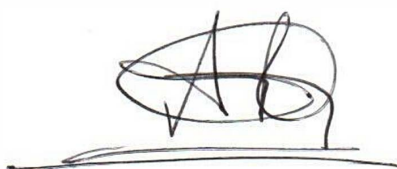
The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the financial year no such complaints were received.

30. STATEMENT ON COMPLIANCE WITH SECRETARIAL STANDARDS

During the financial year 2021-2022, your Company has complied with applicable secretarial Standards issued by the Institute of the Company Secretaries of India.

31. DECLARATION BY THE COMPANY:

The Company has not made any default under Section 164(2) of the Act, as on March 31, 2022.



32. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR

No applications have been made and no proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016.

33. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The disclosure under this clause is not applicable as the Company has not undertaken any one-time settlement with the banks or financial institutions.

34. ORDERS, IF ANY, PASSED BY REGULATORS OR COURTS OR TRIBUNALS

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

35. HUMAN RELATIONS

Your Company lays emphasis on competence and commitment of its human capital recognizing its important role in your Company's growth.

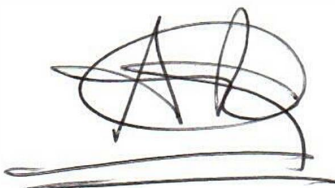
36. INSURANCE

The Company's assets are adequately insured against the loss of fire and other risk, as considered necessary by the Management from time to time. The Company has also taken adequate insurance cover for all movable & immovable assets and for all such types of risks, as considered necessary by the management from time to time.

37. OTHER INFORMATION

The Company intends to list its equity shares ("Equity Shares") on one or more stock exchanges to enable the shareholders to have a formal marketplace for dealing in such Equity Shares. For this purpose, the Company proposes to undertake an initial public offering of Equity Shares, and to create, issue, transfer, offer and/or allot such number of Equity Shares by way of a fresh issue of Equity Shares by the Company (the "Fresh Issue") and/or an offer for sale of Equity Shares by certain shareholders of the Company (the "Selling Shareholders", and such offer for sale, the "Offer for Sale" and together with the Fresh Issue, the "Offer") such that the amount being raised pursuant to the Fresh Issue on such terms and conditions in such manner and during such period, to such person or persons as may be permitted by and in accordance with the Applicable Laws.

Further The Company intends to undertake the Offer and list the Equity Shares at an opportune time, in consultation with the book running lead managers and other advisors, subject to applicable regulatory approvals.

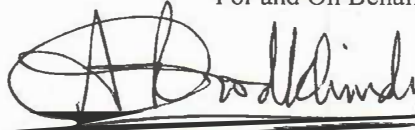


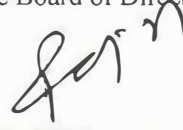
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38. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For and On Behalf of the Board of Directors


Anand Ramesh Godkhindi
Managing Director & CEO
DIN: 05250791


Raj P Narayanam
Executive Chairman
DIN: 0041003

Place: Hyderabad
Date: 29.09.2022

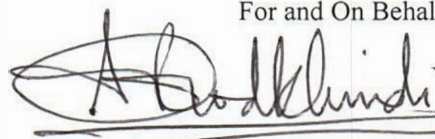


ANNEXURE-I

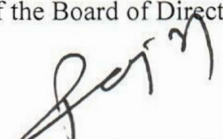
Details of employee(s) of the Company drawing remuneration in excess of the limits as prescribed under the provisions of Rules 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of the employee	Raj P Narayanam
Designation	Executive Chairman
Remuneration received (from 01.04.2021 to 31.03.2022)	Rs.10.20 Millions.
Nature of employment, whether contractual or otherwise	Permanent
Qualification	He holds a bachelors' degree from Delhi University and completed post graduate diploma in business management with a specialization in finance from FORE School of Management in New Delhi. He also completed his post graduate diploma in "Computer Systems" and a course on "Scaling a Business: How to Build a USD 1 Billion+ Unicorn" from The Wharton School at University of Pennsylvania.
Experience	20 + years
Date of commencement of employment	01.10.2015
Age	52 years
Last employment held by such employee before joining the company	NA
Percentage of equity shares held by the employee in the company	51.71%
Whether any such employee is a relative of any director or manager of the company	Not related to any director or manager of the Company

For and On Behalf of the Board of Directors


Avinash Ramesh Godkhindi

Managing Director & CEO
DIN: 05250791


Raj P Narayanam

Executive Chairman
DIN: 0041003

Place: Hyderabad
Date: 29.09.2022



ANNEXURE-II

Annexure to the Directors' Report
[Pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with
Rule 8 of the Companies (Accounts) Rules, 2014]

FORM – A

Form for Disclosure of particulars in the respect to conservation of energy

a. Energy conservation measures taken during the year:

The Company needs power towards running of computers and other office equipment and is not engaged in any manufacturing activities. Hence, the scope for adopting measures for conservation of energy is very limited and the Company has adopted measures to conserve consumption of energy.

b. Proposals being implemented for reduction of consumption of energy : **Not Applicable**

c. Impact of measures at a and b above for reduction of energy consumption and consequent impact on cost of production of goods: **Not Applicable**

d. Total energy consumption and energy consumption per unit as per Form A: **Not Applicable**

Form – B

Technology, Research and Development

Form for disclosure of particulars with respect to technology absorption


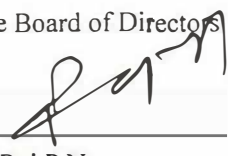
Technology absorption adaptation and innovation	No technology, indigenous or foreign is involved
Research and development (R&D)	No research and development was carried out
Specific areas in which R&D was carried out by the Company	NIL
Benefits derived as a result of the above	NIL
Future plan of action	Yet to be decided

FORM - C

Particulars of Foreign Exchange Earning and Outgo (On cash basis)

Particulars	2021-22	2020-21
Foreign Exchange Earnings		
a. Sale of goods	-	-
b. Others	-	-
Foreign Exchange Expenditure		
a. Import of Raw Materials	-	-
b. Import of Capital Goods	-	-
c. Travel	-	-
d. Consultancy	-	-
e. Others	-	-

For and On Behalf of the Board of Directors

Avinash Ramesh Godkhindi
Managing Director & CEO
DIN: 05250791

Raj P Narayanam
Executive Chairman
DIN: 0041003

Place: Hyderabad
Date: 29.09.2022



P R S V & Co. LLP
Chartered Accountants
202, Saptagiri Residency,
1-10-98/A, Chikoti Gardens, Begumpet,
Hyderabad - 500 016.

M S K A & Associates
Chartered Accountants
1101/B, Manjeera Trinity Corporate,
JNTU-Hitech City Road, Kukatpally,
Hyderabad- 500 072.

INDEPENDENT AUDITORS' REPORT

To the Members of ZAGGLE PREPAID OCEAN SERVICES LIMITED [formerly known as ZAGGLE PREPAID OCEAN SERVICES PRIVATE LIMITED]

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zaggle Prepaid Ocean Services Limited [formerly known as Zaggle Prepaid Ocean Services Private Limited] ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India ('Ind AS'), of the state of affairs of the Company as at March 31, 2022, its profit , its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the Financial Statements and our Auditors' report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



Auditors' Responsibilities for the Audit of the Financial Statements

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

We give in "Annexure A" a detailed description of Auditors' responsibilities for the Audit of the Financial Statements.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2021 and the transition date opening Balance Sheet as at April 1, 2020 prepared in accordance with the Ind AS, included in these financial statements, are based on the Special Purpose Financial Statements of the Company as at and for the years ended March 31, 2021 & March 31, 2020, audited by one of the Joint Auditor, M/s. P R S V & Co. LLP, whose reports dated September 29, 2022 and September 29, 2022 respectively, expressed an unmodified audit opinion on those financial statements.

The Statutory Financial Statements for the years ended March 31, 2021 & March 31, 2020, prepared in accordance with the Companies (Accounts) Rules, 2014 are audited by one of the Joint Auditor M/s. P R S V & Co. LLP whose reports dated September 17, 2021 and December 12, 2020 respectively, expressed an unmodified audit opinion on those financial statements.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (1) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person / entity, including foreign entities



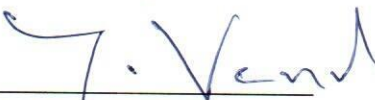
(‘Intermediaries’), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (2) The Management has represented that, to the best of it’s knowledge and belief, no funds have been received by the Company from any person / entity, including foreign entities, that the company has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (3) Based on our audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (i) and (ii) contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

For **P R S V & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. : S200016


Y Venkateswarlu
Partner

Membership No. : 222068
UDIN : 2222068AWZWOE8655

Place: Hyderabad
Date: September 29, 2022

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. : 105047W


Amit Kumar Agarwal
Partner

Membership No. : 214198
UDIN : 22214198AWZPXT6404

Place: Hyderabad
Date: September 29, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ZAGGLE PREPAID OCEAN SERVICES LIMITED [formerly known as ZAGGLE PREPAID OCEAN SERVICES PRIVATE LIMITED] FOR THE YEAR ENDED MARCH 31, 2022.

Auditors' Responsibilities for the Audit of the Financial Statements

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

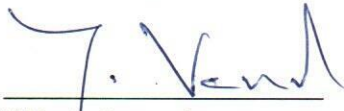
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

For **P R S V & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. : S200016



Y Venkateswarlu

Partner

Membership No. : 222068

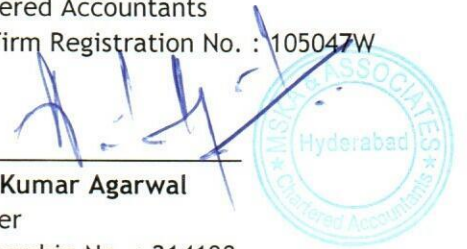
UDIN : 22222068AWZWOE8655



Place: Hyderabad

Date: September 29, 2022

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. : 105047W



Amit Kumar Agarwal

Partner

Membership No. : 214198

UDIN : 22214198AWZPXT6404



Place: Hyderabad

Date: September 29, 2022

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ZAGGLE PREPAID OCEAN SERVICES LIMITED [formerly known as ZAGGLE PREPAID OCEAN SERVICES PRIVATE LIMITED] FOR THE YEAR ENDED MARCH 31, 2022.

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) A. The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all these assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. Pursuant to above program, certain of these assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

ii.

(a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate. No material discrepancies were noticed on such verification.



- (b) The Company has been sanctioned working capital limits less than Rs. 5 crores in aggregate from Banks/financial institutions on the basis of security of current assets. Hence, reporting under this clause is not applicable.
- iii. According to the information and explanations provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on March 31, 2022 and the Company has not accepted any deposits during the year.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii.
- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, though instances of slight delays were noticed, the company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and there were no outstanding undisputed statutory dues as at March 31, 2022 for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us, there are no dues of goods and services Tax, provident fund, employees' state insurance, income-tax, sales tax, duty of customs, value added tax, cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following:

Name of the statute	Nature of dues	Amount ₹ in Million	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	₹ 272.04	1-Apr-2014 to 30-Jun-2017	Commissioner of Central Tax, Hyderabad

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix.

- (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture, hence reporting under the clause (ix)(e) and (ix)(f) of the order is not applicable to the Company.



- x.
- (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3(x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3(x)(b) of the Order are not applicable to the Company.
- xi.
- (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv.
- (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports issued by internal auditors during our audit.




- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi.
- (a) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 (xvi) (d) of the order are not applicable to the Company.
- xvii. According to the information and explanations provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.



- xx. According to the information and explanations given to us, though the provisions of section 135 of the Act are applicable to the Company, the Company does not have any requisite amount to be spent under the aforesaid section based on the calculation specified therein. Hence, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.
- xxi. According to the information and explanations given to us, the Company does not have any subsidiary / Associate/ Joint Venture. Accordingly, there is no preparation of consolidated financial statements. Accordingly, the provisions stated in paragraph clause 3 (xxi) of the Order are not applicable to the Company.

For **P R S V & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. : S200016



Y Venkateswarlu

Partner

Membership No. : 222068

UDIN : 22222068AWZW0E8655



For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. : 105047W



Amit Kumar Agarwal

Partner

Membership No. : 214198

UDIN : 22214198AWZPXT6404



Place: Hyderabad
Date: September 29, 2022

Place: Hyderabad
Date: September 29, 2022

ANNEXURE C TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ZAGGLE PREPAID OCEAN SERVICES LIMITED [formerly known as ZAGGLE PREPAID OCEAN SERVICES PRIVATE LIMITED] FOR THE YEAR ENDED MARCH 31, 2022.

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

We have audited the internal financial controls with reference to financial statements of Zaggle Prepaid Ocean Services Limited [formerly known as Zaggle Prepaid Ocean Services Private Limited] ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). 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 Act.

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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether 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 internal financial controls 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

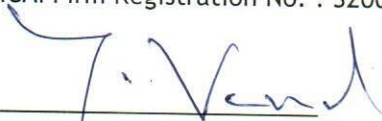
Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation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



Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **P R S V & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. : S200016



Y Venkateswarlu

Partner

Membership No. : 222068

UDIN : 22222068AWZW0E8655



For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. : 105047W



Amit Kumar Agarwal

Partner

Membership No. : 214198

UDIN : 22214198AWZPXT6404



Place: Hyderabad

Date: September 29, 2022

Place: Hyderabad

Date: September 29, 2022

Zaggle Prepaid Ocean Services Limited (formerly known as Zaggle Prepaid Ocean Services Private Limited)

CIN : U65999TG2011PLC074795

Balance Sheet as at 31 March 2022

(All amounts are Rs. in Millions, unless stated otherwise)

Particulars	Notes	31 March 2022	31 March 2021	1 April 2020
ASSETS				
Non-current assets				
Property, plant and equipment	3	19.77	9.51	1.14
Right-of-use assets	4	55.15	36.75	45.65
Intangible assets	5 (a)	44.29	26.97	37.06
Intangible asset under development	5 (b)	15.00	-	-
Financial assets				
- Other financial assets	6	7.30	4.13	4.44
Other non-current assets	7	21.38	-	-
Income tax assets, net	8	123.59	74.70	39.96
Deferred tax assets (net)	9	24.59	106.88	95.56
Total non-current assets		311.07	258.94	223.81
Current assets				
Inventories	10	1.12	2.69	0.23
Financial assets				
(i) Trade receivables	11	429.51	226.81	159.21
(ii) Cash and cash equivalents	12	7.11	27.89	60.64
(iii) Bank balances other than (ii) above	12	29.00	5.00	2.11
Other current assets	13	148.72	99.47	44.10
Total current assets		615.46	361.86	266.29
Total assets		926.53	620.80	490.10
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	14	1.80	1.80	1.80
Other equity	15	(37.38)	(457.31)	(651.37)
Total equity		(35.58)	(455.51)	(649.57)
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	16	483.27	376.92	633.96
(ii) Lease liabilities	4	51.04	31.89	36.37
Provisions	20	7.22	5.66	4.84
Total non-current liabilities		541.53	414.47	675.17
Current liabilities				
Financial liabilities				
(i) Borrowings	17	161.45	313.92	29.84
(ii) Lease liabilities	4	7.35	7.85	10.14
(iii) Trade payables	18			
- Total outstanding dues of micro and small enterprises		7.77	0.08	0.09
- Total outstanding dues of creditors other than micro and small enterprises		99.58	190.96	159.58
Provisions	20	0.14	0.11	0.09
Other liabilities	19	144.29	148.92	264.76
Total current liabilities		420.58	661.84	464.50
Total liabilities		962.11	1,076.31	1,139.67
Total equity and liabilities		926.53	620.80	490.10

See accompanying notes forming part of the Financial Statements.

As per our report attached

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.:105047W

Amit Kumar Agarwal

Partner

Membership No: 214198

For P R S V & Co. LLP

Chartered Accountants

ICAI Firm Registration No.:S200016

Y. Venkateswarlu

Partner

Membership No: 222068

For and on behalf of the Board of

Zaggle Prepaid Ocean Services Limited

CIN : U65999TG2011PLC074795

Raj P Narayanam

Executive Chairman

DIN: 00410032

Hari Priya

Company Secretary

Membership No: A22232

Place: Hyderabad

Date: September 29, 2022

(Signature)

Avinash Ramesh Godkhindi

Managing Director & CEO

DIN : 05250791

Venkata Aditya Kumar Grandhi

Chief Financial Officer



Place: Hyderabad

Date: September 29, 2022

Zaggle Prepaid Ocean Services Limited (formerly known as Zaggle Prepaid Ocean Services Private Limited)

CIN : U65999TG2011PLC074795

Statement of Profit and Loss for the year ended 31st March 2022

(All amounts are Rs. in Millions, unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenues			
Revenue from operations	21	3,712.55	2,399.66
Other income	22	4.09	3.27
Total income		3,716.64	2,402.93
Expenses			
Cost of Point Redemption / Gift Cards		1,435.08	296.67
Consumption of Cards	23	17.78	15.12
Employee benefits expense	24	154.30	124.60
Finance costs	25	69.88	77.10
Depreciation and amortisation	26	20.97	20.46
Other expenses	27	1,506.85	1,687.00
Total expenses		3,204.86	2,220.95
Profit before tax		511.78	181.98
Tax expenses			
Current tax	37	10.79	-
Deferred tax		81.78	(11.32)
Total tax expense		92.57	(11.32)
Profit after tax		419.21	193.30
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Remeasurements of defined benefit liability		0.87	1.02
Deferred tax relating to these items		(0.22)	(0.26)
		0.65	0.76
Total comprehensive income		419.86	194.06
Earnings per share			
- Basic	30	4.57	2.11
- Diluted		4.57	2.11

See accompanying notes forming part of the financial statements.

As per our report attached

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.: 105047W

Amit Kumar Agarwal

Partner

Membership No: 214198

For P R S V & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: S200016

Y. Venkateswarlu

Partner

Membership No: 222068

For and on behalf of the Board of

Zaggle Prepaid Ocean Services Limited

CIN : U65999TG2011PLC074795

Raj P Narayanam

Executive Chairman

DIN: 00410032

Hari Priya

Company Secretary

Membership No: A22232

Avinash Ramesh Godkhindi

Managing Director & CEO

DIN : 05256791

Venkata Aditya Kumar Grandhi

Chief Financial Officer

Place: Hyderabad

Date: September 29, 2022

Place: Hyderabad

Date: September 29, 2022



Zaggle Prepaid Ocean Services Limited (formerly known as Zaggle Prepaid Ocean Services Private Limited)
 CIN : U65999TG2011PLC074795
 Statement of Changes in Equity
 (All amounts are Rs. in Millions, unless stated otherwise)

A. Equity share capital

	Notes	No. of Shares	Amount
As at 1 April 2020		1,80,000	1.80
Addition during the year	14	-	-
As at 31 March 2021		1,80,000	1.80
Addition during the year	14	-	-
As at 31 March 2022		1,80,000	1.80

B. Other equity

Particulars	Notes	Reserves and surplus		Other comprehensive income	Total
		Securities premium account	Retained earnings	Remeasurement of defined benefit obligations	
Balance as at 1 April 2020		21.91	(715.74)	-	(693.83)
Opening Ind AS adjustments - on transition date 1 April 2020		-	42.54	(0.08)	42.46
Profit for the year		-	193.30	-	193.30
Other comprehensive income		-	-	0.76	0.76
Balance at 31 March 2021		21.91	(479.90)	0.68	(457.31)
Profit for the year		-	419.21	-	419.21
Other comprehensive income		-	-	0.65	0.65
Change on account of Scheme of Arrangement:	32	-	-	-	-
- Security Premium from the Business Combination		93.82	-	-	93.82
- Retained earnings from the Business Combination		-	(85.17)	-	(85.17)
- Amalgamation Adjustment Deficit Account		-	(8.58)	-	(8.58)
Balance at 31 March 2022		115.73	(154.44)	1.33	(37.38)

See accompanying notes to the financial statements

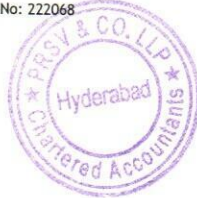
As per our report attached
 For M S K A & Associates
 Chartered Accountants
 ICAI Firm Registration No.: 105047W

Amit Kumar Agarwal
 Partner
 Membership No: 214198



For P R S V & Co. LLP
 Chartered Accountants
 ICAI Firm Registration No.: S100016

Y Venkateswarlu
 Partner
 Membership No: 222068



For and on behalf of the Board of
 Zaggle Prepaid Ocean Services Limited
 CIN : U65999TG2011PLC074795

Raj P Narayanam
 Executive Chairman
 DIN: 00410032

Hari Priya
 Company Secretary
 Membership No: A22232

Place: Hyderabad
 Date: September 29, 2022

(Signature)

Avinash Ramesh Godkhindi
 Managing Director & CEO
 DIN : 05250791

Venkata Aditya Kumar Grandhi
 Chief Financial Officer



Place: Hyderabad
 Date: September 29, 2022

Zaggle Prepaid Ocean Services Limited (formerly known as Zaggle Prepaid Ocean Services Private Limited)
 CIN : U65999TG2011PLC074795
 Statement of cash flows for the year ended 31st March 2022

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Cash flow from operating activities		
Profit before tax		
Adjustments for :	511.78	181.98
Depreciation and amortization expense		
Interest expense	20.97	20.46
Interest expense on lease liabilities	66.88	73.73
Liabilities no longer required written back	3.00	3.37
Provision for doubtful receivables	(1.17)	-
Interest income	14.66	6.22
Operating profit before working capital changes	(1.32)	(2.93)
Change in assets and liabilities		
(Increase) /Decrease in trade receivables		
(Increase)/Decrease in inventories	(217.36)	(73.82)
(Increase) / Decrease in loans and other financial assets	1.57	(2.46)
(Increase)/Decrease in other assets	(3.17)	(0.31)
Increase / (Decrease) in trade payables and other financial liabilities	(49.25)	(55.37)
Increase / (Decrease) in provision	(83.69)	31.37
Increase/ (Decrease) in other liabilities	2.46	1.86
Cash generated from operations	(4.63)	(115.84)
Income taxes paid, (net of refund)	260.73	68.26
Net cash inflow from operating activities	(59.92)	(34.12)
B. Cash flows from investing activities	200.81	34.14
Purchase of Property, Plant and Equipment and intangible assets		
Capital advance for property purchase	(54.34)	(9.84)
Deposits placed having original maturity of more than 3 months, net	(21.38)	-
Interest received	(24.00)	(2.89)
Net cash used in investing activities	1.03	2.67
C. Cash flow from financing activities	(98.69)	(10.06)
Proceeds from long term borrowings		
Repayment of long term borrowings	250.24	6.85
Payment of lease liabilities	(335.96)	(14.68)
Proceeds from/(repayment) of short term borrowings (net)	(11.15)	(10.14)
Interest paid	4.67	-
Net cash used in financing activities	(30.70)	(38.86)
Net increase/(decrease) in cash and cash equivalents	(122.90)	(56.83)
Cash and cash equivalents at the beginning of the year	A+B+C	(20.78)
Cash and cash equivalents at end of the year	27.89	60.64
	7.11	27.89

See accompanying notes to the financial statements

As per our report attached

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.:105047W

Amit Kumar Agarwal

Partner

Membership No: 214198

For P R S V & Co. LLP

Chartered Accountants

ICAI Firm Registration No.:S200016

Y. Venkateswarlu

Partner

Membership No: 222068

For and on behalf of the Board of

Zaggle Prepaid Ocean Services Limited

CIN : U65999TG2011PLC074795

Raj P Narayanan

Executive Chairman

DIN: 00410032

Hari Priya

Company Secretary

Membership No: A22232

Avinash Ramesh Godkhindi

Managing Director & CEO

DIN : 05250791

Venkata Aditya Kumar Grandhi

Chief Financial Officer

Place: Hyderabad

Date: September 29, 2022

Place: Hyderabad

Date: September 29, 2022



Notes to the financial statements for the year ended March 31, 2022

1 Corporate Information

Zaggle Prepaid Ocean Services Limited (formerly known as a Zaggle Prepaid Ocean Services Private Limited) ('the Company' / 'Zaggle') is a B2B2C Fintech SaaS company, which is a leading player in spend management, with a differentiated value proposition and diversified user base. The company offers a diversified portfolio of SaaS, including tax and payroll software.

The Company has been incorporated on June 2, 2011, under the provisions of the Companies Act, 1956, then applicable in India. The registered office of the company is located at 301, III Floor, CSR Estate, Plot No.8, Sector 1, HUDA Techno Enclave, Madhapur Main Road, Hyderabad, Telangana -500081.

The Company was converted into a public limited company under the Companies Act, 2013 on August 22, 2022 and consequently, the name was changed to "Zaggle Prepaid Ocean Services Limited".

2.1 Basis of preparation and measurement

(i) Statement of compliance & Basis for preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the 'Act'), the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

The financial statements up to and for the year ended March 31, 2021 were prepared in accordance with accounting standards referred to in paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) notified under section 133 of the Act and other relevant provisions of the Act. As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance is provided in Note 43.

The financial statements were approved by the Board of Directors and authorised for issue on September 29, 2022.

(ii) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest million except share data or as otherwise stated.

(iii) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities : Measured at fair value
- Borrowings : Amortised cost using effective interest rate method
- Net defined benefit (asset)/ liability : Present value of defined benefit obligations less fair value of plan assets

(iv) Use of estimates and judgements

The preparation of the financial statements is in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgments and assumptions affect the application policies and reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenue and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in the estimates are made as and when management becomes aware of changes in circumstances surrounding the estimates. Changes in the estimates are reflected in the financial statements in the year in which the changes are made and, if material, such effects are disclosed in the notes to financial statements.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 3, 4 and 5 - determining an asset's expected useful life and the expected residual value at the end of its life.
- Note 11 - impairment of financial assets;
- Notes 28 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 34 - measurement of defined benefit obligations: key actuarial assumptions;

(v) Measurement of fair values

Accounting policies and disclosures require measurement of fair value for financial assets and financial liabilities.

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

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 35 - Financial instruments



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(vi) Current and non-current classification:

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets

An asset is classified as a current when it is:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is expected to be realised within twelve months from the reporting date;
- it is held primarily for the purposes of being traded; or
- is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non current.

Liabilities

A liability is classified as a current when:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is due to be settled within twelve months from the reporting date;
- it is held primarily for the purposes of being traded;
- the Company does not have an unconditional right to defer settlement of liability for atleast twelve months from the reporting date.

All other liabilities are classified as non-current.

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

Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.2 Summary of significant accounting policies

A. Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer net of variable consideration (e.g. discounts), taxes and amount collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer. The amount of revenue recognized is at an amount that reflects the consideration to which the Company expect to be entitled in exchange for the product or service. Revenue is only recognized to the extent that is highly probable that a significant reversal will not occur.

i) Program fees:

The Company acts as Program Manager and Business Correspondent to the Partner Banks for the Co-branded Prepaid Card Instruments. The Co-branded Cards are operated under various schemes (Such as Kuber, Zinger etc.). Program fees mainly includes revenue from Interchange (including residual income) earned from partner banks and excludes amounts collected on behalf of partner banks. Interchange revenue is recognised as per the terms of the arrangement with partner banks, at the point in time, basis the information shared by the banks to the company post settlement with network partners. The Incentives / Cash back, as an when incurred by the company towards the co-branded prepaid card instruments has been considered as a distinct goods or services and accordingly recorded as an expense.

Banks and corporates are considered as customers of the Company. Any amounts receivable from the customers on account of normal course of business is classified as trade receivable. Further advance received from customers against which cards are yet to be activated is disclosed as liability under advances from customers.

ii) Propel platform revenue / Gift cards:

Propel platform revenue from monetisation of platform is recognised on the basis of terms of the agreement with the respective customers.

The Company recognises revenue on completion of the Company performance obligation being met on redemption of propel points against catalogue of gift cards / vouchers.

The Company acts as a principal and accordingly consideration for the supplies is recognized on gross basis with corresponding cost of supplies being recorded as an expense. Revenue on sale of gift cards / vouchers is recognized only to the extent the Company's performance obligation is met, at the point in time on transfer of the control of the respective gift cards / vouchers to the customers.

iii) Fees income/SaaS income:

The company earns fees income/SaaS income/service fees income from various activities including user fees, platform fees, customization fees etc. The fee income is recognised when the control in services have been transferred by the Company i.e., as and when services have been provided by the Company and the Company's performance obligation is met. This fee is recognised as income in accordance with the terms of the arrangement with the respective customers.

iv) Interest income:

Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head 'other income' in the statement of profit and loss.



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Notes to the financial statements for the year ended March 31, 2022

B. Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the year in which they are incurred.

C. Financial instruments

A financial instrument is any contract that gives rise to a financial Asset of one entity and financial liability or equity instrument of another entity.

i) Initial Recognition and measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

Financial assets

All financial assets except Trade receivables are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement: For the purpose of subsequent measurement, financial assets are categorised as under:

- Amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) - equity investment; or
- Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities:

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss.

iii) Derecognition

Financial assets

A financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently and legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.



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Notes to the financial statements for the year ended March 31, 2022

D. Property, plant and equipment

i) Recognition and measurement

Property, Plant and Equipment (PPE) are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred. If an item of property, plant and equipment is purchased with deferred credit period from supplier, such asset is recorded at its cash price equivalent value.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2020 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

ii) Depreciation

Depreciation is provided using the Straight-line Method over the useful lives of the assets as estimated by the Management. Depreciation on additions and deletions are restricted to the period of use. Depreciation is charged to statement of profit and loss.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

The Company, based on technical assessment and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Act. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Company has estimated the following useful lives to provide depreciation on its property, plant and equipment:

Asset category	Management estimate of useful life & Useful life as per Schedule II
Furniture and fixtures	10 years
Office equipment	5 years
Computers	3 years
Vehicles	8 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the statement of profit and loss.

Depreciation method, useful lives and residual values are reviewed at each period end and adjusted if appropriate

E. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally developed intangibles are capitalized to the extent of direct cost related to the development of the respective intangible assets which mainly includes manpower cost. Intangible assets are amortized over the useful economic life assessed which ranges from 3-5 years and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Asset category	Management estimate of useful life
R & R Software	3 - 4 years
Mobile Application	3 years
Software	3 - 5 years
Trademarks	5 years
Expense Management	4 - 5 years

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2020 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

F. Inventories

Inventories are valued at the lower of cost or net realizable value. Cost includes purchase price, duties, transport, handling costs and other costs directly attributable to the acquisition and bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs necessary to make the sale.



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G. Impairment of assets

i) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost and trade receivables. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

The Company applies expected credit loss (ECL) model for measurement and recognition of loss allowance on the following:

- Trade receivables
- Financial assets measured at amortised cost (other than trade receivables)
- Financial assets measured at fair value through other comprehensive income (FVTOCI).

The Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

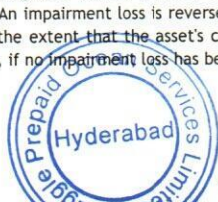
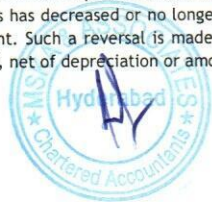
For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.



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Notes to the financial statements for the year ended March 31, 2022

H. Employee benefits

(a) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme and other funds. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iii) Compensated Absences: The company has no policy of accumulation of compensated absences.

I. Leases

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course.

Company as a Lessee:

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

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.




The Company used the following practical expedients when applying Ind AS 116 :

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term and leases of low value.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Right of use asset: The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease Liability: The Company measures the lease liability at present value of the future lease payments at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate as at the commencement of lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.



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Notes to the financial statements for the year ended March 31, 2022

J. Income-tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

K. Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for. Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

L. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares.

M. Cash flow statement

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

N. Cash and cash equivalents

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

O. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.



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P. Business Combination

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of an entity is calculated as the sum of the acquisition-date fair values of assets transferred and liabilities incurred. Acquisition costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition-date fair values. Goodwill is measured as excess of the aggregate of the fair value of the consideration transferred, the amount recognized for non-controlling interests and fair value of any previous interest held, over the fair value of the net of identifiable assets acquired and liabilities assumed. If the fair value of the net of identifiable assets acquired and liabilities assumed is in excess of the aggregate mentioned above, the resulting gain on bargain purchase is recognized in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognise any new assets or liabilities.

Q. Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 - Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 - Proceeds before intended use

The amendments mainly prohibit an entity, deducting from the cost of property, plant and equipment any amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant, and equipment in its financial statements.

Ind AS 37 - Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 - Annual Improvements to Ind AS (2021)

The amendment clarifies the term "fees paid net of fees received" for the purpose of performing the '10 percent test' for derecognition of financial liabilities, in determining the fees paid, the borrower includes amounts paid by the borrower to or on behalf of lender, and fees received include any amounts paid by the lender to or on behalf of borrower. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 - Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Company does not expect the aforesaid amendments to have any significant impact on its financial statements.



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Zaggle Prepaid Ocean Services Limited (formerly known as Zaggle Prepaid Ocean Services Private Limited)
CIN : U65999TG2011PLC074795

Notes to the financial statements for the year ended March 31, 2022
(All amounts are Rs. in Millions, unless stated otherwise)

3 Property, plant and equipment

Description	Office Equipment	Furniture	Computers	Vehicle	Total
Cost as at April 1, 2020	0.19	0.11	2.15	-	2.45
Additions	0.09	-	0.22	9.03	9.34
Disposals	-	-	-	-	-
Cost as at March 31, 2021	0.28	0.11	2.37	9.03	11.79
Additions	0.23	0.81	11.57	-	12.61
Disposals	-	-	-	-	-
Cost as at March 31, 2022	0.51	0.92	13.94	9.03	24.40
Accumulated depreciation as at April 1, 2020	0.14	0.03	1.14	-	1.31
Depreciation for the year	-	0.01	0.70	0.26	0.97
Disposals/adjustments	-	-	-	-	-
Accumulated depreciation as at March 31, 2021	0.14	0.04	1.84	0.26	2.28
Depreciation for the year	0.05	0.03	1.67	0.60	2.35
Disposals/adjustments	-	-	-	-	-
Accumulated depreciation as at March 31, 2022	0.19	0.07	3.51	0.86	4.63
Net carrying amount as at April 1, 2020	0.05	0.08	1.01	-	1.14
Net carrying amount as at March 31, 2021	0.14	0.07	0.53	8.77	9.51
Net carrying amount as at March 31, 2022	0.32	0.85	10.43	8.17	19.77



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4 Right of use assets and Lease Liabilities

The Company has lease contracts for various items of building for corporate office, operations and technical teams. Leases of building generally have lease terms between 1 and 10 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2020 and applied the standard to its leases, under modified retrospective transition method.

The Company has elected not to apply the requirements of Ind AS 116 "Leases" to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term except inflation adjustment.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

(i) Movement in Right of use assets and Lease liabilities is given below:

a. Right of Use Assets

Description	Right of use assets (Buildings)
Cost as at April 1, 2020	-
Due to transition to Ind AS 116 on April 1, 2020	45.65
Additions	-
Disposals	-
Cost as at March 31, 2021	45.65
Additions	27.61
Disposals	-
Cost as at March 31, 2022	73.26
Accumulated depreciation as at April 1, 2020	-
Depreciation for the year	8.90
Disposals	-
Accumulated depreciation as at March 31, 2021	8.90
Depreciation for the year	9.21
Disposals	-
Accumulated depreciation as at March 31, 2022	18.11
Net carrying amount as at April 1, 2020	45.65
Net carrying amount as at March 31, 2021	36.75
Net carrying amount as at March 31, 2022	55.15

b. Lease Liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year :

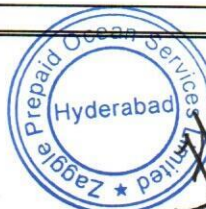
Particulars	As at		
	31 March 2022	31 March 2021	1 April 2020
Opening balance	39.74	46.51	-
Due to transition to Ind AS 116 on April 1, 2020	-	-	46.51
Additions during the year	26.80	-	-
Disposal during the year	-	-	-
Accretion of interest	3.00	3.37	-
Payment of lease liabilities	(11.15)	(10.14)	-
Closing balance	58.39	39.74	46.51
Less: Current Lease liabilities	7.35	7.85	10.14
Non Current Lease liabilities	51.04	31.89	36.37

(ii) Payments recognised as expenses and income:

Particulars	For the year	
	ended 31-Mar-2022	ended 31-Mar-2021
Short term leases and low value assets (Refer Note 27)	1.20	0.74
	1.20	0.74

(iii) Contractual maturities of lease liabilities on undiscounted basis as at:

Particulars	31-Mar-2022	31-Mar-2021	1 April 2020
Less than one year	11.59	10.65	10.14
One to five years	46.26	26.78	30.59
More than five years	5.66	12.85	19.68
	63.51	50.28	60.41



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Zaggle Prepaid Ocean Services Limited (formerly known as Zaggle Prepaid Ocean Services Private Limited)

CIN : U65999TG2011PLC074795

Notes to the financial statements for the year ended March 31, 2022

(All amounts are Rs. in Millions, unless stated otherwise)

5 a. Intangible Assets

Description	R&R software	Mobile application	Software	Trade Mark	Expense Management	Total
Cost as at April 1, 2020	9.93	18.12	3.90	0.02	31.20	63.17
Additions	-	-	-	-	0.50	0.50
Disposals	-	-	-	-	-	-
Cost as at March 31, 2021	9.93	18.12	3.90	0.02	31.70	63.67
Additions	10.00	-	-	1.73	15.00	26.73
Disposals	-	-	-	-	-	-
Cost as at March 31, 2022	19.93	18.12	3.90	1.75	46.70	90.40
Accumulated depreciation as at April 1, 2020	9.53	16.58	-	-	-	26.11
Depreciation for the year	0.40	1.54	0.83	-	7.82	10.59
Disposals/adjustments	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2021	9.93	18.12	0.83	-	7.82	36.70
Depreciation for the year	0.21	-	0.77	0.21	8.22	9.41
Disposals/adjustments	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2022	10.14	18.12	1.60	0.21	16.04	46.11
Net carrying amount as at April 1, 2020	0.40	1.54	3.90	0.02	31.20	37.06
Net carrying amount as at March 31, 2021	-	-	3.07	0.02	23.88	26.97
Net carrying amount as at March 31, 2022	9.79	-	2.30	1.54	30.66	44.29

b. Intangible Asset under development

Particulars	31-Mar-22	31-Mar-21	01-Apr-20
Zoyer Application under development	15.00	-	-

Ageing - Intangible Asset under development

Project in progress	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at April 1, 2020	-	-	-	-	-
As at March 31, 2021	-	-	-	-	-
As at March 31, 2022	15.00	-	-	-	15.00



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	31 March 2022	31 March 2021	1 April 2020
6 Other financial assets (at amortised cost) (Unsecured considered good)			
Non-current			
Security deposits	6.02	4.05	3.46
Other deposits	1.28	0.08	0.98
	7.30	4.13	4.44
7 Other non-current assets (Unsecured, Considered good)			
a. Capital advance for property purchase	21.38	-	-
(Unsecured, Considered doubtful)			
b. Advance towards purchase of equity	-	40.87	40.87
Less : Provision for impairment of other asset	-	(40.87)	(40.87)
	21.38	-	-
8 Non-Current :Income tax assets, Net			
Prepaid taxes / Advance tax	134.38	74.70	39.96
Provision for tax	(10.79)	-	-
	123.59	74.70	39.96
9 Deferred tax assets (net)			
Depreciation/amortisation of Property, plant and equipment	1.19	(0.08)	1.26
Provision for employee benefits	1.50	1.85	1.24
Provision for doubtful receivables/ECL	18.57	105.70	104.13
Right of use assets (net of lease liability)	0.75	0.82	0.22
Others	2.58	(1.41)	(11.29)
	24.59	106.88	95.56
Deferred tax asset on timing differences on account of brought forward losses and unabsorbed depreciation have not been recognised as at the reporting date in the absence of reasonable certainty of future taxable profits.			
10 Inventories (Valued at lower of cost or net realisable value)			
Card Inventory	1.12	2.69	0.23
	1.12	2.69	0.23
11 Trade receivables			
Trade receivables			
Unsecured,			
-Considered good (refer note below)	429.51	226.81	159.21
-Credit Impaired	73.79	359.05	352.83
	503.30	585.86	512.04
Less-Allowance for Expected Credit Loss on above (refer note (b) below)	(73.79)	(359.05)	(352.83)
	429.51	226.81	159.21

No trade or other receivable are due from directors or other officers of the company.
Trade receivables are non-interest bearing and generally on terms of 30 to 90 days.

a. Trade Receivables ageing schedule:
As at 31 March 2022

	Unbilled Dues	Not Due	Outstanding for following period from due date of payment					Total
			Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	Morethan 3 years	
(i) Undisputed Trade receivables - considered good		413.75	14.94	0.82	-	-	-	429.51
(ii) Undisputed Trade Receivables - which have significant increase in credit risk		-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired		-	1.87	5.19	-	-	66.73	73.79
(iv) Disputed Trade Receivables- considered good		-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk		-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired		-	-	-	-	-	-	-



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As at 31 March 2021

Particulars	Unbilled Dues	Not Due	Outstanding for following period from due date of payment					Total
			Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good		208.63	7.95	8.79	0.62	-	0.82	226.81
(ii) Undisputed Trade Receivables - which have significant increase in credit risk		-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired		-	-	-	-	-	359.05	359.05
(iv) Disputed Trade Receivables- considered good		-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk		-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired		-	-	-	-	-	-	-

As at 1 April 2020

Particulars	Unbilled Dues	Not Due	Outstanding for following period from due date of payment					Total
			Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good		17.16	83.08	55.94	2.20	0.83	-	159.21
(ii) Undisputed Trade Receivables - which have significant increase in credit risk		-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired		-	-	-	-	-	352.83	352.83
(iv) Disputed Trade Receivables- considered good		-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk		-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired		-	-	-	-	-	-	-

b. Allowance for credit losses

	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Opening balance	359.05	352.83	352.83
Credit loss added	14.66	6.22	-
Written off during the year	(299.92)	-	-
Closing balance	73.79	359.05	352.83

12 Cash and Bank Balances

	31 March 2022	31 March 2021	1 April 2020
(a) Cash and cash equivalents			
Cash on hand	0.24	0.11	0.03
Balances with banks (Refer note (a) below)			
- in current accounts	6.87	27.78	60.61
	<u>7.11</u>	<u>27.89</u>	<u>60.64</u>
(b) Other bank balances :			
- deposits with remaining maturity less than 12 months			
- Margin Deposits	9.00	-	-
- Deposits under Lien	20.00	5.00	-
- balances with escrow accounts	-	-	2.11
	<u>29.00</u>	<u>5.00</u>	<u>2.11</u>
	<u>36.11</u>	<u>32.89</u>	<u>62.75</u>

Note :

a) The Company is a program manager for various programs of the banks for its prepaid cards and accordingly banks maintain the pool accounts for these prepaid card program where funds are held. These accounts are opened primarily for settlement and collection activities with respect to operations facilitated by the Company. Accordingly, the following accounting treatment has been given in these financial statements.
As at March 31, 2022, the balance in the aforesaid bank accounts aggregating to Rs. 1257.57 Mn (March 31, 2021: Rs. 2763.60 Mn and April 1, 2020: Rs. 196.75 Mn) are not included in ' Balance with Banks ' above as these are not owned or contractually available for use by the Company and set aside for settlement of usage by the Company's prepaid card customers.

13 Other current assets

	31 March 2022	31 March 2021	1 April 2020
Advance to suppliers	50.33	3.67	1.97
Advances to employees	0.48	0.66	0.12
Prepaid Cards with loading	94.10	63.08	40.91
Balance with government authorities	-	29.37	-
Others	3.81	22.70	21.11
Less : Provision for impairment of balances	-	(20.01)	(20.01)
	<u>148.72</u>	<u>99.47</u>	<u>44.10</u>



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14 Equity Share capital

Authorized share capital *	31 March 2022	31 March 2021	1 April 2020
51,03,785 (March 31, 2021: 20,00,000 and April 1, 2020: 20,00,000) Equity Shares of Rs. 10 Each	51.04	20.00	20.00
Issued, subscribed and paid up *			
1,80,000 (March 31, 2021: 1,80,000 and April 1, 2020: 1,80,000) Equity Shares of Rs.10 Each	1.80	1.80	1.80
	1.80	1.80	1.80

* refer note 40 subsequent events - on shares split and bonus issue.

i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

Particulars	31 March 2022		31 March 2021		1 April 2020	
	No. of Shares	Amount in Rs. Million	No. of Shares	Amount in Rs. Million	No. of Shares	Amount in Rs. Million
Outstanding at the beginning of the year	1,80,000	1.80	1,80,000	1.80	1,80,000	1.80
Add: Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	1,80,000	1.80	1,80,000	1.80	1,80,000	1.80

ii) Rights, preferences and restrictions attached to equity shares of Rs. 10 each, fully paid up:

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) Shares held by shareholders holding more than 5% in the Company as at:

Name of Shareholder	31 March 2022		31 March 2021		1 April 2020	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Raj P Narayanam	93,500	51.94%	93,500	51.94%	93,500	51.94%
Ventureast Proactive Fund LLC	11,510	6.39%	11,510	6.39%	11,510	6.39%
Avinash Ramesh Godkhindi	18,000	10.00%	18,000	10.00%	18,000	10.00%
Zuzu Software Services Pvt Ltd	35,896	19.94%	30,656	17.03%	30,656	17.03%

As per the records of the Company including its register of shareholders and other declarations received from shareholders regarding beneficial interest the above shareholding represents both legal and beneficial interest.

iv) Shareholding of promoters

Name of promoter	31 March 2022		31 March 2021		1 April 2020	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Raj P Narayanam	93,500	51.94%	93,500	51.94%	93,500	51.94%
Avinash Ramesh Godkhindi	18,000	10.00%	18,000	10.00%	18,000	10.00%

15 Other equity

	31 March 2022	31 March 2021	1 April 2020
Securities premium account (refer note i)	115.73	21.91	21.91
Retained earnings (refer note ii)	(154.44)	(479.90)	(673.20)
Other comprehensive income (refer note iii)	1.33	0.68	(0.08)
Total other equity	(37.38)	(457.31)	(651.37)

i) Securities premium account

	31 March 2022	31 March 2021	1 April 2020
Balance at the beginning of the year	21.91	21.91	21.91
Add: Scheme of Arrangement (Refer Note 32)	-	-	-
- Security premium from business combination	93.82	-	-
Balance at the end of the year	115.73	21.91	21.91

ii) Retained earnings

	31 March 2022	31 March 2021	1 April 2020
Balance at the beginning of the year	(479.90)	(673.20)	(715.74)
Add: Adjustments on account of transition to Ind AS	-	-	42.54
Add: Profit for the year	419.21	193.30	-
Add: Scheme of Arrangement (Refer Note 32)	-	-	-
- Retained Earnings from business combination	(85.17)	-	-
- Amalgamation Adjustment Deficit Account	(8.58)	-	-
Balance at the end of the year	(154.44)	(479.90)	(673.20)

iii) Other comprehensive income (OCI)

Other items of OCI			
	31 March 2022	31 March 2021	1 April 2020
Remeasurement of defined benefit obligations (liability net of tax)			
Balance at the beginning of the year	0.68	(0.08)	-
Add: Adjustments on account of transition to Ind AS	-	-	(0.08)
Add: Changes during the year	0.65	0.76	-
Balance at the end of the year	1.33	0.68	(0.08)



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16 Long Term Borrowings (at amortised cost)

	31 March 2022	31 March 2021	1 April 2020
Secured			
Non-Cumulative Redeemable Optionally Convertible Debentures (refer note (i))	-	280.00	280.00
Term loans			
- from Bank (refer note (ii))	237.58	-	-
- from Vehicle loans (refer note (iv))	5.57	6.85	-
Property Loan			
- from Bank (refer note (iii))	12.66	-	-
Unsecured			
Unsecured loans from financial institution (refer note (v))	-	36.55	63.53
Loan from Director (refer note (v))	-	13.12	14.52
Deferred Payables (refer note (vi))	384.24	354.32	305.75
Less : Current maturities of long term borrowings (refer note: 17)	(156.78)	(313.92)	(29.84)
Total	483.27	376.92	633.96

Details of terms and security in respect of the long-term borrowings:

i. Non-Cumulative Redeemable Optionally Convertible Debentures:

Non-Cumulative Redeemable Optionally Convertible Debentures (OCDs) amounting to Rs. Nil (March 31, 2021 and April 1, 2020: Rs.280.00 Mn) represents 2,500 No. of Series I and 300 No. of Series II OCDs with a face value of Rs. 1,00,000/- each carrying interest of 11% P.a and are redeemable in 5 years. OCDs are convertible into equity shares at market value in future date at the option of the issuer. These OCDs are secured by First and exclusive charge on present and future movable and unencumbered immovable assets of the company, personal guarantee of promoters and pledge over the equity shares aggregating to 51% of the paid up equity share capital of the company held by the promoters. OCDs are fully repaid during the year 2021-22.

ii. Term Loan from Bank:

Term loan taken during the year from bank amounting to Rs. 237.58 Mn carries interest of Repo rate + 3.5% (presently 7.5% p.a.) and is repayable in 60 monthly instalments of Rs. 4.17 Mn each excluding interest beginning from January 2022. The Term loan along with Overdraft facility as below are jointly secured by way of exclusive charges on the current assets of the company including trade receivables and inventories. The loans are collaterally secured by way of exclusive charge on the immovable properties being commercial property and Residential property, both, belonging to other body corporate. The loans are further secured by way of Corporate Guarantee extended by the said body corporate.

iii. Property Loan:

Property loan taken during the from bank amounting to Rs. 12.66 Mn carries interest @ 6.9% and is repayable in 180 equated monthly instalments of Rs. 0.12 Mn each beginning from August 2021. The loan is secured by way of mortgage of property, which is yet to be registered in the name of the company. Advance given for purchase of property is grouped under non current assets (Refer note 7).

iv. Vehicle Loans

Vehicle loans from bank amounting to Rs. 5.57 Mn (March 31, 2021: Rs. 6.85 Mn, April 1, 2020: Nil) carry interest rate of 7.8% to 8.25% p.a and are repayable in 60 equated monthly instalments. The said loans are secured by way of hypothecation of vehicles purchased.

v. Unsecured Loans

1. Unsecured loans from financial institutions amounting to Rs. Nil (March 31, 2021: Rs. 36.55 Mn and April 1, 2020: Rs. 63.53 Mn) carry interest rate ranging from 12% to 14% and is repayable in 36 instalments
 2. Loan from director is amounting to Rs. Nil (March 31, 2021: Rs. 13.12 Mn and April 1, 2020: Rs.14.52 Mn) interest free and is repayable on demand.
- Both unsecured loans from financial institutions and directors are fully settled during the year 2021-22.

vi. Deferred payables:

Deferred payables amounting to Rs. 384.24 Mn (March 31, 2021: Rs. 354.32 Mn and April 1, 2020: Rs. 305.75 Mn) are repayable in five instalments starting with March 2022 and ending in December 2023 and carries interest rate of 11% p.a. which is payable along with last instalment. As at the year end, four of such instalments are pending.

- vii. The company has utilised the loans borrowed during the year for the purpose for which it is obtained as mentioned in the borrowing agreements.
- viii. The company is not declared as a willful defaulter.

17 Short-term borrowings

	31 March 2022	31 March 2021	1 April 2020
Secured			
Overdraft from bank (refer below note)	4.67	-	-
Current maturities of long term borrowings (refer note : 16)	156.78	313.92	29.84
	161.45	313.92	29.84

Details of terms and security in respect of the short-term borrowings:

Overdraft Facility taken during the year from ICICI bank amounting to Rs. 4.67 Mn carries interest of Repo rate + 3.5% (presently 7.5% p.a.) and is repayable on demand. The Overdraft facility along with term loan as above are jointly secured by way of exclusive charge on the current assets of the company including trade receivables and inventories. The loans are collaterally secured by way of exclusive charge on the immovable properties being commercial property and Residential property, both, belonging to other body corporate. The loans are further secured by way of Corporate Guarantee extended by the said body corporate.



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18 Trade payables

	31 March 2022	31 March 2021	1 April 2020
Trade payables			
- Total outstanding dues of micro and small enterprises (refer note : 33)	7.77	0.08	0.09
- Total outstanding dues of creditors other than micro and small enterprises	99.58	190.96	159.58
	107.35	191.04	159.67

Trade payables are non-interest bearing and are normally settled in 30-90 days terms.

Trade payables ageing schedule

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	Morethan 3 years	Total
(i) MSME	7.77	-	-	-	7.77
(ii) Others	97.88	0.80	0.88	0.02	99.58
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-
	105.65	0.80	0.88	0.02	107.35

Trade payables ageing schedule

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	Morethan 3 years	Total
(i) MSME	0.08	-	-	-	0.08
(ii) Others	189.55	1.30	0.08	0.03	190.96
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-
	189.63	1.30	0.08	0.03	191.04

Trade payables ageing schedule

As at 1 April 2020

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	Morethan 3 years	Total
(i) MSME	0.09	-	-	-	0.09
(ii) Others	151.02	0.83	7.73	-	159.58
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-
	151.11	0.83	7.73	-	159.67

19 Other Current liabilities

	31 March 2022	31 March 2021	1 April 2020
Advances received from customers	109.85	109.70	122.01
Client redemption liability	5.44	3.37	102.30
Statutory Liabilities	18.62	29.62	21.37
Others	10.38	6.23	19.08
	144.29	148.92	264.76

20 Provisions

	31 March 2022	31 March 2021	1 April 2020
Provision for employee benefits			
Provision for Gratuity (Refer Note 34)			
Non-Current	7.22	5.66	4.84
Current	0.14	0.11	0.09
	7.36	5.77	4.93



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	For the year ended 31 March 2022	For the year ended 31 March 2021
21 Revenue from operations		
Revenue from contracts with customers (Refer Note 38)		
Program fee	2,007.03	1,954.89
Propel platform revenue / Gift Cards	1,539.22	315.54
Platform fee / SaaS fee / Service fee	166.30	129.23
	3,712.55	2,399.66
22 Other income		
Interest on bank deposits	0.87	0.22
Interest on IT refund	0.16	2.45
Liabilities no longer required written back	1.17	-
Interest on Security Deposit - at amortised cost.	0.29	0.26
Miscellaneous Income	1.60	0.34
	4.09	3.27
23 Consumption of Cards		
Opening stock of cards	2.69	0.50
Purchase of cards	18.74	17.31
Less : Inventory written off	(2.68)	-
Less : Closing stock of cards	(0.97)	(2.69)
	17.78	15.12
24 Employee benefits expense		
Salaries, wages & bonus	143.61	117.21
Contribution to provident and other funds	3.41	2.33
Staff welfare	4.82	3.21
Gratuity	2.46	1.85
	154.30	124.60
25 Finance costs		
Interest on loans	30.70	38.86
Amorised Cost on Deferrred Payables	34.93	34.87
Interest on Lease Liability	3.00	3.37
Fair value of corporate guarantee (refer note 16)	1.25	-
	69.88	77.10
26 Depreciation and amortisation expense		
Depreciation of tangible assets	2.35	0.97
Amortization of intangible assets	9.41	10.59
Amortization of right-to-use assets	9.21	8.90
	20.97	20.46



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Zaggle Prepaid Ocean Services Limited (formerly known as Zaggle Prepaid Ocean Services Private Limited)

CIN : U65999TG2011PLC074795

Notes to the financial statements for the year ended March 31, 2022

(All amounts are Rs. in Millions, unless stated otherwise)

27 Other expenses	For the year ended 31 March 2022	For the year ended 31 March 2021
Call center & software support charges	102.32	123.80
Office rent	1.20	0.74
Electricity expenses	1.64	1.67
Repairs & maintenance	1.94	1.20
Provision for doubtful debts (refer note (i) below)	14.66	6.22
Office maintenance	5.46	2.53
Rates & taxes	0.35	3.45
Network charges	6.22	19.59
Legal & professional consultancy charges	47.57	20.15
Advertisement & Business Promotion	129.67	114.11
Incentive / Cash Back	1,176.43	1,380.31
Courier charges	4.01	3.80
Telephone expenses	1.19	1.44
Traveling expenses	3.49	0.28
Payments to Auditors (refer note (ii) below)	2.35	0.35
Bank charges	0.85	0.04
Inventory written off	2.68	-
Miscellaneous expenses	4.82	7.32
	1,506.85	1,687.00

Note (i) Movement in Provision for Expected credit loss :

Allowance for credit losses (refer note 35)

	As at 31 March 2022	As at 31 March 2021
Opening balance	359.05	352.83
Credit loss added	14.66	6.22
Written off during the year	(299.92)	-
Closing balance	73.79	359.05

Note (ii) Payments to auditors :

The following is the break-up of Auditors remuneration (exclusive of indirect taxes)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor		
- Statutory audit	2.25	0.25
In other capacity		
-Tax audit and Other matters	0.10	0.10
	2.35	0.35

Note (iii) Details of Corporate social responsibility expenditure :

Though the provisions of section 135 read with Schedule VII of the Companies Act, 2013 along with applicable rules thereon with regard to Corporate Social Responsibility (CSR) are applicable to the Company, the company does not have any requisite amount to be spent under the aforesaid section based on the calculation specified therein. Hence, the disclosure with regard to CSR as per Schedule III of the Act is not presented.



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28 Contingent liabilities and commitments

(a) Contingent Liabilities

Particulars	31 March 2022	31 March 2021	1 April 2020
Disputed Service Tax *	272.04	272.04	272.04

* During the year 2019-20, the company has received a show cause notice towards Service tax amounting to Rs. 272.04 Mn on the face value of sale of its prepaid cards/ Gift vouchers etc. The management is of the strong view that there cannot be any tax liability whatsoever on the face value of prepaid cards/gift vouchers and hence the claim of the department is not tenable and, accordingly, the company has filed appeals with the Commissioner of Central tax, Hyderabad against the aforesaid demand which is in the process of being heard and pending disposal.

The Company based on its legal assessment does not believe that any of the pending claims require a provision as at the balance sheet date, as the likelihood of the probability of an outflow of resources at this point of time is low.

(b) Capital Commitments

Particulars	31 March 2022	31 March 2021	1 April 2020
Unexecuted capital orders to the extent not provided for	-	-	-

29 Related party disclosures

(a) Names of related parties and related party relationship

Name of the Related Party	Nature of Relationship
Key Managerial Persons:	
Raj P Narayanam	Director - Executive Chairman
Avinash Ramesh Godkhindi	Managing Director & CEO
Vidya Niwas Khetawat	Chief Financial Officer [wef Dec 10, 2021, upto Aug 25, 2022]
Hari Priya	Company Secretary [wef Jan 18, 2022]
Venkata Aditya Kumar Grandhi	Chief Financial Officer [wef Aug 25, 2022]
Other Related Parties	
Magixo IRM Solutions Private Limited	Subsidiary [wef June 30, 2021 upto merger appointed dated Nov 1, 2021]
Vinita Raj Narayanam	Relative of Key Managerial Person

(b) Transactions with related parties

Particulars	31 March 2022	31 March 2021
(i) KMPs Remuneration:		
Raj P Narayanam	19.64	16.20
Avinash Ramesh Godkhindi	10.20	10.20
Vidya Niwas Khetawat	7.06	6.00
Hari Priya	1.54	-
	0.84	-
(ii) Purchase of Investment:		
Vinita Raj Narayanam	7.70	-

(c) Balance with with related parties

Particulars	31 March 2022	31 March 2021	1 April 2020
Loan from Raj P Narayanam	-	13.12	14.52
Managerial remuneration payable:			
Raj P Narayanam	-	0.84	0.70
Avinash Ramesh Godkhindi	-	0.26	0.50



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Zaggle Prepaid Ocean Services Limited (formerly known as Zaggle Prepaid Ocean Services Private Limited)
CIN : U65999TG2011PLC074795

Notes to the financial statements for the year ended March 31, 2022.

(All amounts are Rs. in Millions, unless stated otherwise)

30 Earnings per share (EPS)

Basic earnings per share amounts is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share amounts is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	31 March 2022	31 March 2021
Earnings		
Profit after tax for the year attributable to equity shareholders	419.21	193.30
Shares		
Original Number of Equity Shares (post share split) #	18,00,000	18,00,000
Add : Impact of Bonus Issue #	9,00,00,000	9,00,00,000
Weighted Average Number of Equity Shares		
For calculating Basic EPS	9,18,00,000	9,18,00,000
Effect of dilution:		
- On account of - OCDs *	-	-
Weighted average number of equity shares for Diluted EPS	9,18,00,000	9,18,00,000
Earnings Per Share		
(Face Value Rs. 1 per share) (post share split) #		
Basic (Rs.)	4.57	2.11
Diluted (Rs.)	4.57	2.11

Shareholders have approved the below at EGM held on July 26, 2022: (refer note 40)

a. Share split of one equity share having face value of Rs. 10 each into 10 shares of Rs. 1 each and

b. Issue of fully paid bonus shares of Rs.1 each in proportion of fifty equity shares for every one existing equity share by capitalizing security premium.

Accordingly, as an adjusting event, the earnings per share has been adjusted for subdivision of shares and bonus shares for the current and previous years presented in accordance with the requirements of Indian Accounting Standard (Ind AS) 33 - Earnings per share.

* OCDs not considered for diluted EPS for the year ended March 31, 2021, due to the fact that there is no fixed number of equity shares to be issued in the future or there is no contract to issue additional equity shares at no consideration. As per the terms, OCDs are convertible into equity shares at market value in future date at the option of the issuer. During the year, the same instruments were settled.

31 Segment Reporting

The Company's operating business are organised and managed according to nature of Products and services provide. This assessment resulted in identification of (a) Programme Fee (b) Platform Fee/SaaS Fee/Service fee; (c) Propel platform revenue / Gift Cards as separate lines of business activities at Revenue level, by the Chief Operating Decision Maker (CODM). However, since the company does not allocate common operating costs, assets and liabilities across business activities, as per the assessment undertaken by CODM, the allocation resources and assessment of the financial performance is undertaken at the company level.

a. Segment wise revenue information:

Revenue from Customers	31 March 2022	31 March 2021
Program fee	2,007.03	1,954.89
Platform fee / SaaS fee / Service fee	166.30	129.23
Propel platform revenue / Gift Cards	1,539.22	315.54
Total	3,712.55	2,399.66

b. Geographical Segment information:

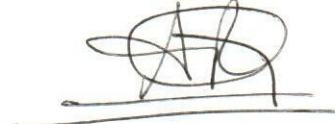
The company has whole revenues from customers domiciled in India.

Revenue from Customers	31 March 2022	31 March 2021
Within India	3,677.96	2,399.66
Outside India	34.59	-
Total	3,712.55	2,399.66

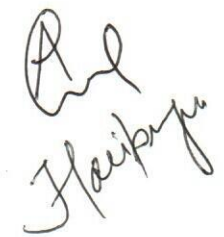
c. Information about major customers (from external customers)

During the year ended 31 March 2022 the Company has derived revenue from 2 customers (31 March 2021: 2) totalling to Rs. 1,877.38 (31 March 2021: Rs. 2,027.12) which amounts to 10% or more of its total revenue.

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32 Business Combination:

During the year 2021-22, the Company has acquired 100% stake in Magixo IRM Solutions Private Limited ("Magixo"), engaged in the business which is complementary/similar to the business of the company and later has become wholly owned subsidiary of the Company and under common control w.e.f. June 30, 2021. The Company to have combine synergies and for economies of scale, it has decided by Board Meeting dated November 15, 2021 to merge Magixo with the Company from the proposed appointed date i.e November 1, 2021.

Accordingly, the Company has entered into scheme of arrangement in the form of merger and vesting of Magixo w.e.f November 1, 2021 which was approved by Regional Director, South East Region, Ministry of Corporate Affairs on March 1, 2022.

The effect of such scheme of arrangements have been accounted under Pooling of Interest Method in the books of account of the Company in accordance with IND AS's as per which existing holding of Company in Magixo gets cancelled pursuant to scheme of arrangement.

Business combinations of entities under common control are accounted for, using the Pooling of Interest Method wherein all the assets and liabilities, of the Transferor Company are record at the respective book values thereof.

As per Appendix 3 of Ind AS 103 on Business Combination The value of investments held by the Transferee Company in the Transferor Company shall stand cancelled pursuant to amalgamation and the surplus, if any, arising between the (i) carrying value of assets, liabilities and reserves pertaining to the Transferor Company and (ii) carrying value of investment in equity shares of Transferor Company in the books of Transferee Company shall be credited to capital reserve in the books of Transferee Company and should be presented separately from other capital reserves with disclosure of its nature and purpose in the notes. In case of deficit, the same would be adjusted against the revenue reserve of the transferee company in absence of any capital reserve and in case the transferee company has no reserves or has inadequate reserves, the debit will be to an account appropriately titled and be disclosed under Other Equity in the financial statements of the Transferee Company.

Accordingly, excess of Investment in Magixo over the net carrying value of assets, liabilities and reserves pertaining to Magixo is debited to Retained earnings of the Company as "Amalgamation Adjustment Deficit Account".

a. The book value of assets and liabilities as of November 1, 2021, recognized as follows:

Particulars	Amount (Rs. In Mn)
Other non-current assets	5.66
Inventories	0.15
Trade receivables	1.12
Cash and cash equivalents	0.27
Other current assets	6.14
Profit & loss account - Debit balance	85.17
Short term borrowings	(0.08)
Trade payables	(0.32)
Other current liabilities	(0.03)
Securities premium account	(93.82)
Net assets/(Liabilities) of Magixo	4.26

b. Adjustment to Retained Earnings on account of Amalgamation:

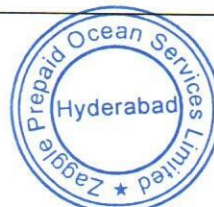
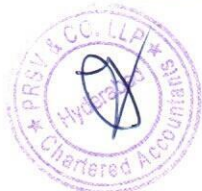
Net assets/(Liabilities) of Magixo (A)	4.26
Investment in equity shares of Magixo IRM Solutions Pvt Ltd (B)	12.84
Amalgamation Adjustment Deficit Account (refer note 15)	(8.58)

33 Details of dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006"

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amount payable to such enterprises as at reporting date has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("The MSMED Act") is not expected to be material. The company has not received any claim for interest from any supplier.

	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
The amounts remaining unpaid to micro and small supplies as at end of the year			
- Principal	7.77	0.08	0.09
- Interest	-	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year ; and	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act.	-	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information requested by the management and responded by its vendors to the company.



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34. Employee benefits

a) Defined Contribution Plan

Provident Fund:

Contributions were made to provident fund and Employee State Insurance in India for the employees of the Company as per the regulations. These contributions are made to registered funds administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any other constructive obligation.

b) Defined Benefit Plan

Gratuity:

The Company provides Gratuity for employees in India as per the Payment of Gratuity Act, 1972. All employees are entitled to gratuity benefits on exit from service due to retirement, resignation or death. There is a vesting period of 5 years on exits due to retirement or resignation.

Gratuity payment formulae= Final salary (Basic+DA) * 0.576923077 * Past service duration.

There is a limit of Rs. 20,00,000 on the gratuity payable to an employee.

This defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

The present value of the defined benefit obligation and the relevant current service cost are measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance sheet date.

c) Amounts Recognised as Expense:

i) Defined Contribution Plan

Employer's Contribution to Provident Fund amounting to Rs.3.41 mn (March 31, 2021 : Rs. 2.33 mn) has been included in Note 24 under Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to Rs.2.46 mn (March 31, 2021 : Rs.1.85 mn) has been included in Note 24 under gratuity.

d) Amounts recognised in the Financial statements as at year end for Gratuity provision are as under:

	31 March 2022	31 March 2021
i) Change in Present Value of Obligation		
Present value of the obligation at the beginning of the year		4.93
Current Service Cost	5.77	
Interest Cost	2.07	1.52
Actuarial (Gain)/Loss on Obligation- Due to Change in Financial Assumptions	0.39	0.34
Actuarial (Gain) / Loss on Obligation- Due to Change in Demographic Assumptions	-	-
Actuarial (Gain) / Loss on Obligation- Due to Experience Adjustments	-	-
Benefits Paid	(0.87)	(1.02)
Present value of the obligation at the end of the year	7.36	5.77
ii) Bifurcation of present value of Benefit obligation		
Current- Amount due within one year	0.14	0.11
Non-current- Amount due after one year	7.22	5.66
Total	7.36	5.77
iii) Expected benefit payments in future years		
Year 1		0.11
Year 2	0.14	0.24
Year 3	0.30	0.23
Year 4	0.29	0.22
Year 5	0.43	0.32
Year 6 to Year 10	0.27	5.96
	6.38	
iv) Sensitivity Analysis		
Discount Rate - 1 percent increase	6.68	5.23
Discount Rate - 1 percent decrease	8.15	6.39
Salary Escalation Rate - 1 percent increase	8.16	6.40
Salary Escalation Rate - 1 percent decrease	6.66	5.22
Withdrawal Rate - 1 percent increase	7.47	5.81
Withdrawal Rate - 1 percent decrease	7.24	5.73
v) Amounts Recognised in the Balance Sheet:		
Present value of Obligation at the end of the year	7.36	5.77
Fair value of Plan Assets at the end of the year	-	-
Net Liability recognised in the Balance Sheet	7.36	5.77
vi) Amounts Recognised in the Statement of Profit and Loss:		
Current Service Cost		1.52
Net interest on net Defined Liability / (Asset)	2.07	0.33
Expenses recognised in Statement of Profit and Loss	0.39	
	2.46	1.85
vii) Recognised in other comprehensive income for the year		
Actuarial (Gains) / Losses on Liability		(1.02)
Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset)' above	(0.87)	-
Recognised in other comprehensive income	(0.87)	(1.02)
viii) Actuarial Assumptions		
i) Discount Rate		
Based on yields (as on valuation date) of Government Bonds with a tenure similar to the expected working lifetime of the employees.	6.80%	6.80%
ii) Salary Escalation Rate		
based on inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. This assumption has been determined in consultation with the company.	5.00%	5.00%
iii) Retirement Age		
iv) Attrition Rate	58	58
	5% to 1%	5% to 1%
v) Mortality Rate	Indian assured lives mortality (2012-14) Ult.	Indian assured lives mortality (2012-14) Ult.



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35 Financial instruments

A. Financial instruments by category	Note No.	Fair value level	31-Mar-22	31-Mar-21	01-Apr-20
			Amortized Cost	Amortized Cost	Amortized Cost
Financial assets					
Non current					
Other financial assets	6	-	7.30	4.13	4.44
Current					
(i) Trade receivables	11	-	429.51	226.81	159.21
(ii) Cash and cash equivalents	12	-	7.11	27.89	60.64
(iii) Bank balances other than (ii) above	12	-	29.00	5.00	2.11
Total financial assets			472.92	263.83	226.40
Financial liabilities					
Non current					
(i) Borrowings	16	-	483.27	376.92	633.96
(ii) Lease liabilities	4	-	51.04	31.89	36.37
Current					
(i) Borrowings	17	-	161.45	313.92	29.84
(ii) Current lease liabilities	4	-	7.35	7.85	10.14
(iii) Trade payables	18	-	107.35	191.04	159.67
Total financial liabilities			810.46	921.62	869.98

Note: The Company has not disclosed the fair values for financial instruments such as short-term trade receivables or short-term trade payables because their carrying amounts are a reasonable approximation of fair values.

Note 1: For the purpose of above abbreviations, FVTOCI - Fair value through other comprehensive income; amortised cost - fair value through amortized cost.

Note 2: Other financial assets and liabilities relate to level 3 financial instruments where the carrying value reasonably approximates to their fair value.

B. Financial risk management

The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables, security deposits and bank deposits.	Ageing analysis. Credit score of customers/ entities.	Monitoring the credit limits of customers and obtaining security deposits
Liquidity risk	Borrowings	Cash flow forecasts managed by finance team under the overview of Senior Management.	Working capital management by Senior Management. The excess liquidity is channelised through bank deposits.

The Company risk management is carried out by the Senior Management under policies approved by the Board of Directors. The Board of Directors provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

Risk management framework

The board of directors have overall responsibility for the risk management framework. The board of directors are responsible for developing and monitoring the risk management policies. The board of directors monitors the compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company.

The risk management policies are to identify and analyze the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

A. Credit risk

i. Credit risk management

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments. The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is controlled by analysing credit limits to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

ii. Provision for Expected credit loss

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to Rs. 73.79 million as on March 31, 2022 (Rs. 359.05 million as on March 31, 2021 and Rs. 352.83 million as on April 1, 2020). The movement in allowance for credit loss in respect of trade receivables during the year was as follows:

	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Opening balance	359.05	352.83	352.83
Credit loss added	14.66	6.22	-
Written off during the year	(299.92)	-	-
Closing balance	73.79	359.05	352.83

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.



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Notes to the financial statements for the year ended March 31, 2022

(All amounts are Rs. in Millions, unless stated otherwise)

B. Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities:

As at 31st March 2022

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	483.27	-	449.42	8.81	458.23
Lease liabilities	58.39	11.59	46.26	5.66	63.51
Short-term borrowings	161.45	161.45	-	-	161.45
Trade payables	107.35	107.35	-	-	107.35
Other financial liabilities	-	-	-	-	-
Total	810.46	280.39	495.68	14.47	790.54

As at 31 March 2021

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	376.92	-	386.81	-	386.81
Lease liabilities	39.74	10.65	26.78	12.85	50.28
Short-term borrowings	313.92	313.92	-	-	313.92
Trade payables	191.04	191.04	-	-	191.04
Total	921.62	515.61	413.59	12.85	942.05

As at 1 April 2020

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	633.96	-	678.72	-	678.72
Lease liabilities	46.51	10.14	30.59	19.68	60.41
Short-term borrowings	29.84	29.84	-	-	29.84
Trade payables	159.67	159.67	-	-	159.67
Total	869.98	199.65	709.31	19.68	928.64

The company has secured loans from bank that contain loan covenants. A future breach of covenant may require the company to repay the loan earlier than indicated in the above table.

C. Market risk

(i) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Particulars	31 March 2022	31 March 2021	1 April 2020
Variable rate borrowings	237.58	36.55	63.53
Fixed rate borrowings	402.47	641.17	585.75

(ii) Sensitivity

Particulars	For the year 31 March 2022	For the year 31 March 2021	For the year 1 April 2020
Sensitivity			
1% increase in MCLR	(2.38)	(0.37)	(0.64)
1% decrease in MCLR	2.38	0.37	0.64

D. Currency risk

The company does not have material revenues/assets denominated in foreign exchange and hence company is not subject to foreign currency fluctuation.

36 Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

The debt to adjusted capital ratio at the end of the reporting year was as follows:

	31-Mar-22	31-Mar-21	01-Apr-20
Total Debt (Refer note 16 and 17)	644.72	690.84	663.80
Less : cash and cash equivalents and bank balances	36.11	32.89	62.75
Adjusted net debt	608.61	657.95	601.05
Total equity	(35.58)	(455.51)	(649.57)
Adjusted net debt to adjusted equity ratio	(17.11)	(1.44)	(0.93)



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Zaggle Prepaid Ocean Services Limited (formerly known as Zaggle Prepaid Ocean Services Private Limited)

CIN : U65999TG2011PLC074795

Notes to the financial statements for the year ended March 31, 2022

(All amounts are Rs. in Millions, unless stated otherwise)

37 Income Taxes

Components of Income Tax Expense

		For the year 31 March 2022	For the year 31 March 2021
Tax expense recognised in the Statement of Profit and Loss			
A. Current Tax			
Current year		10.79	-
	Total	10.79	-
B. Deferred Tax			
Origination and reversal of temporary differences		81.78	(11.32)
	Total	81.78	(11.32)
C. Tax on Other Comprehensive Income			
Deferred tax			
Origination and reversal of temporary differences - OCI		(0.22)	(0.26)
	Total	(0.22)	(0.26)

Current tax assets / liabilities (net)

	For the year 31 March 2022	For the year 31 March 2021
D. Advance tax (net of provision for tax)		
E. Provision for tax (net of advance payment of taxes)	123.59	74.70
	123.59	74.70

Deferred tax assets / liabilities (net)

	For the year 31 March 2022	For the year 31 March 2021
F. Deferred tax asset	25.44	109.50
G. Deferred tax liability	(0.85)	(2.62)
Deferred tax asset (net)	24.59	106.88

H. Reconciliation of tax expense and the Accounting Profit

The Income tax expense for the year can be reconciled to the accounting profit as follows:

	For the year 31 March 2022	For the year 31 March 2021
Profit before income taxes		
Indian statutory income tax rate	511.78	181.98
Expected Income Tax Expense	25.17%	25.17%
Tax effect of losses of earlier years set off against profits	129.00	46.00
Tax effect of expenditure disallowed under income tax	(112.18)	(60.40)
Others	9.49	8.15
Total income tax expense	92.57	(11.32)

Movement during the year ended 31 March 2021

	As at 1 April 2020	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 March 2021
Deferred tax assets/(liabilities)				
Depreciation/amortisation of Property, plant and equipment	1.26	(1.34)	-	(0.08)
Provision for employee benefits	1.24	0.87	(0.26)	1.85
Provision for doubtful receivables	104.13	1.57	-	105.70
Right of use assets (net of lease liability)	0.22	0.60	-	0.82
Unabsorbed depreciation and business losses *	-	-	-	-
Others	(11.29)	9.88	-	(1.41)
Total	95.56	11.58	(0.26)	106.88

Movement during the year ended 31 March 2022

	As at 1 April 2021	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 March 2022
Deferred tax assets/(liabilities)				
Depreciation/amortisation of Property, plant and equipment	(0.08)	1.27	-	1.19
Provision for employee benefits	1.85	(0.13)	(0.22)	1.50
Provision for doubtful receivables	105.70	(87.12)	-	18.57
Right of use assets (net of lease liability)	0.82	(0.07)	-	0.75
Unabsorbed depreciation and business losses *	-	-	-	-
Others	(1.41)	3.98	-	2.58
Total	106.88	(82.07)	(0.22)	24.59

* Deferred tax asset on timing differences on account of brought forward losses and unabsorbed depreciation have not been recognised as at the reporting date in the absence of reasonable certainty of future taxable profits.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

38 Revenue from contract with customers

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contract with customers:

Particulars	For the year 31 March 2022	For the year 31 March 2021
Income from Platform and Gift cards	1,539.22	315.54
Income from Program Fee and SaaS fee	2,173.33	2,084.12
	3,712.55	2,399.66
With in India	3,677.96	2,399.66
Outside India	34.59	-



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Timing of revenue recognition	3,712.55	2,399.66
Services transferred over time	2,173.33	2,084.12
Goods transferred at a point of time	1,539.22	315.54
Total revenue from contracts with customers	3,712.55	2,399.66
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	3,712.55	2,399.66
Less: Discounts and disallowances	-	-
Total revenue from contracts with customers	3,712.55	2,399.66
Contract balances		
Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables	429.51	226.81
Contract assets	-	-
Contract liabilities	-	-

39 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. The company does not have any unhedged foreign currency exposure as at 31 March 2022.

40 Subsequent Events

Subsequent events to the balance sheet are as follows:

1. The Company at the Extra ordinary General Meeting of shareholders held on April 21, 2022, has approved the Proposed Issue of 1,152 Equity Shares on Private Placement basis at the issue price of Rs. 182,222/- having Face value of Rs. 10/- each. (i.e including Securities Premium @182,212).

Out of above Issue, 821 Equity Shares were subscribed and allotted in the months of May 2022 and June 2022 and the balance Unsubscribed portion of equity shares were cancelled.

2. Shareholders vide the Extra-ordinary general meeting dated July 27, 2022, have approved the following :

a. Increase in Authorized Share Capital of the Company from Rs. 51.04 Mn divided into 51,03,785 Equity Shares of Rs.10/- each to Rs. 120.00 Mn divided into 1,20,00,000 Equity Shares of Rs.10/- each, by creation of 68,96,215 Equity Shares of Rs.10/- each, ranking pari passu with the existing Equity Shares of the Company.

b. Sub-division of the Authorised Share Capital consisting of 1,20,00,000 equity shares of the Company having face value of Rs. 10 each into 12,00,00,000 equity shares of face value of Rs. 1 each w.e.f., July 27, 2022, without altering the aggregate amount of the same.

c. Further, the issued, subscribed and paid-up share capital consisting of 1,80,821 equity shares of the Company having face value of Rs. 10 each shall stand sub-divided into 18,08,210 equity shares having face value of Rs. 1 each w.e.f., July 27, 2022 without altering the aggregate amount of such capital and shall rank pari passu in all respects and carry the same rights as to the existing fully paid-up equity shares of Rs. 10 each of the Company.

d. Issue of fully paid bonus shares of Rs.1 each in proportion of fifty equity shares for every one existing equity share by capitalizing a sum of Rs. 90.41 Mn from the Securities Premium account available with the Company.

e. The Company proposed to carry on the business of designing, developing, operating, maintaining, and marketing, all kinds/forms of payment systems including issue of prepaid payment instruments, digital wallets (cards, UPI etc.), reward points solutions, Expense Management System, Spend Management System, Reward & Recognition System, Account Payable, Account Receivable, Business Finance Manager, API Integration, co-branded services, etc. as more particularly described in the new sub-clauses 4 and 5 in addition to the existing business as described in sub-clauses 1, 2 and 3 of the Objects Clause III (A) of the Memorandum of Association of the Company. The Company shall comply with the regulations/directions of the Reserve Bank of India and other authorities as and when the same are applicable.

3. Shareholders vide the Extra-ordinary general meeting dated August 22, 2022, have approved the name of the company be and is hereby changed from "Zaggle Prepaid Ocean Services Private Limited" to "Zaggle Prepaid Ocean Services Limited".

4. Board of Directors vide the board meeting dated August 22, 2022, have appointed Mr. Abhay Deshpande Raosaheb (DIN: 00427314) as an additional director of the company to hold office from the date of this meeting till the next Annual General Meeting of the company.

5. Board of Directors vide the board meeting dated August 25, 2022, have approved the following:

i. Promoted Mr. Vidya Niwas Khetawat from the post of Chief Financial officer to Chief Strategy officer w.e.f August 25, 2022.

ii. Appointed Mr. Venkata Aditya Kumar Grandi as Chief Financial Officer (CFO) of the company w.e.f August 25, 2022.

41 a. The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

b. The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

d. The Company have not traded or invested in Crypto currency or Virtual currency during the financial year.

e. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

f. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

g. The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

h. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the certain provisions of the Code will come into effect and the rules thereunder has not been notified. The company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

42 Impact of COVID-19

The Company continues to consider the impact of Covid-19 pandemic in assessing the recoverability of receivables, tangible and intangible assets and other assets. For this purpose, the Company considered internal and external sources of information up to the date of the approval of these financial statements. The Company based on its judgements, estimates and assumptions including sensitivity analysis expects to fully recover the carrying amount of receivables, tangible and intangible assets and other assets. Based on the assessment of the impact of COVID-19, management concluded that there has been no impact on the Company's operations, financial performance and financial position as at and for the year ended March 31, 2022.



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43 First time adoption of Ind AS

As stated in note 2, these are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2022 and in the preparation of an opening Ind AS balance sheet at 1 April 2020 (transition date). In preparing its opening Ind AS balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's balance sheet, profit and loss and cash flows is set out in the following tables and the notes that accompany the tables.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

Deemed Cost : As per para D7AA of Ind AS 101 an entity may elect to:

measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.

use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to

- fair value;

- or COST or depreciated COST under Ind AS adjusted to reflect, for example, changes in a general or specific price index

use carrying values of property, plant and equipment as on the date of transition to Ind AS (which are measured in accordance with previous GAAP) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to carry the previous GAAP carrying values as deemed cost for all of the items of property, plant and equipment and capital work-in-progress.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative year presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

a) Fair valuation of financial instruments carried at FVTPL and/ or FVOCI.

b) Determination of the discounted value for financial instruments carried at amortised cost.

A.2.2 Classification and measurement of financial assets

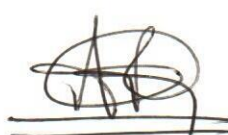
Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.


Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

A.2.3 Deemed cost

As per para D7AA of Ind AS 101 permits a first-time adopter to continue with the carrying value for all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

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Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Rs. in million, unless stated otherwise)

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cashflows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS

B.1 Reconciliation of equity as at 1 April 2020 (transition date)

Particulars	Notes to first-time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		1.14	-	1.14
Right-of-use assets	II	-	45.65	45.65
Intangible assets		37.06	-	37.06
Financial assets				
(i) Other financial assets	II	6.46	(2.02)	4.44
Other non-current assets	III	43.39	(43.39)	-
Income tax assets, net		39.96	-	39.96
Deferred tax assets (net)	I, V	0.05	95.51	95.56
Total non-current assets		128.06	95.75	223.81
Current assets				
Inventories		0.23	-	0.23
Financial Assets				
Trade receivables	I & III	110.39	48.82	159.21
Cash and Cash Equivalents		60.64	-	60.64
Other Bank Balances		2.11	-	2.11
Other current assets		44.10	-	44.10
Total current assets		217.47	48.82	266.29
Total assets		345.53	144.57	490.10
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1.80	-	1.80
Other equity	VI	(693.83)	42.46	(651.37)
Total equity		(692.03)	42.46	(649.57)
Liabilities				
Non-current liabilities				
Financial Liabilities				
Long-term borrowings	IV	666.27	(32.31)	633.96
Lease liabilities	II	-	36.37	36.37
Long-term provisions		4.84	-	4.84
Total non-current liabilities		671.11	4.07	675.17
Current liabilities				
Financial Liabilities				
Short term Borrowings		29.84	-	29.84
Current lease liabilities	II	-	10.14	10.14
Trade payables	I	71.76	87.91	159.67
Short-term provisions		0.09	-	0.09
Other current liabilities		264.76	-	264.76
Total current liabilities		366.45	98.05	464.50
Total liabilities		1,037.56	102.12	1,139.67
Total equity and liabilities		345.53	144.57	490.10

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note



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B.2 Reconciliation of equity as at 31 March 2021

Particulars	Notes to first-time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		9.51	-	9.51
Right-of-use assets	II	-	36.75	36.75
Intangible Assets		26.97	-	26.97
Financial assets				
Other Financial Assets	II	5.64	(1.51)	4.13
Other non-current assets	III	40.87	(40.87)	-
Income tax assets, net		74.70	-	74.70
Deferred tax assets	I, V	0.05	106.83	106.88
Total non-current assets		157.74	101.20	258.94
Current assets				
Inventories		2.69	-	2.69
Financial Assets				
Trade receivables	I & III	305.63	(78.82)	226.81
Cash and Cash Equivalents		27.89	-	27.89
Other Bank balances		5.00	-	5.00
Other current assets		99.47	-	99.47
Total current assets		440.68	(78.82)	361.86
Total assets		598.42	22.38	620.80
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1.80	-	1.80
Other equity	VI	(449.13)	(8.18)	(457.31)
Total equity		(447.33)	(8.18)	(455.51)
Liabilities				
Non-current liabilities				
Financial Liabilities				
Long-term borrowings	IV	386.80	(9.88)	376.92
Lease liabilities	II	-	31.89	31.89
Long-term provisions		5.66	-	5.66
Total non-current liabilities		392.46	22.01	414.47
Current liabilities				
Financial Liabilities				
Short term Borrowings		313.92	-	313.92
Current lease liabilities	II	-	7.85	7.85
Trade payables	I	190.17	0.87	191.04
Short-term provisions	VIII	0.28	(0.17)	0.11
Other current liabilities		148.92	-	148.92
Total current liabilities		653.29	8.55	661.84
Total liabilities		1,045.75	30.56	1,076.31
Total equity and liabilities		598.42	22.38	620.80

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note

B.3 Reconciliation of Total Comprehensive Income for the year ended 31 March 2021

Particulars	Notes to first-time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
Revenue from operations	I, VII	2,223.15	176.51	2,399.66
Other income	II	2.70	0.57	3.27
Total income		2,225.85	177.08	2,402.93
Expenses				
Cost of Point Redemption / Gift Cards	VII	-	296.67	296.67
Consumption of Cards		15.12	-	15.12
Employee benefits expense	VIII	123.76	0.84	124.60
Finance costs	II, IV	11.56	65.54	77.10
Depreciation and amortisation	II	38.86	(18.40)	20.46
Other expenses	I, III, VII	1,791.84	(104.84)	1,687.00
Total expenses		1,981.14	239.81	2,220.95
Profit before tax		244.71	(62.73)	181.98
Tax expense				
Current tax		-	-	-
Deferred tax (credit)/ charge	V	-	(11.32)	(11.32)
Total tax expense		-	(11.32)	(11.32)
Profit after tax		244.71	(51.41)	193.30
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Actuarial gains/losses on gratuity	VIII	-	0.76	0.76
Total comprehensive income for the year		244.71	(51.41)	194.06



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Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Rs. in million, unless stated otherwise)

C. Notes to first-time adoption

Note I - Prior period errors

The Company has made certain errors in the accounting of interchange income and related cost of incentive/cash back. During the current year, on transition to Ind AS, the Company has rectified these errors by restating the transition date balance sheet and balance sheet as at March 31, 2021.

Note II - Recognition of Right of use assets

Under the previous GAAP, rental expenditure for operating leases were recognised as expenditure on a straight-line basis over the lease period. During the current year, on transition to Ind AS, the Company has applied the principles of Ind AS 116 and recognised a right of use assets with a corresponding lease liability in the balance sheet by using the modified retrospective method effective from the transition date. Accordingly, the rental expenditure has been reversed and an amortisation charge on Right of use asset and interest on lease liability is recognised in the statement of profit and loss.

Under Indian GAAP, interest-free security deposit (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as ROU Asset. Consequently, the amount of security deposit as on 31 March 2021 has been decreased by Rs. 1.77 Mn (1 April 2020: Rs. 2.03 Mn) with a corresponding increase in ROU Asset.

Note III - Expected credit loss

Under previous GAAP, the Company measured financial assets at cost. As at the transition date, the Company recognised the provision for expected credit loss for certain financial assets as per the criteria set out in Ind AS 101.

Note IV - Effective interest rate

During the current year, on transition to Ind AS, the Company has carried the loans using effective interest rate.

Note V - Deferred tax assets (net)

The Company has recognised deferred tax assets (net) on Provisions for doubtful debts (other than unabsorbed depreciation and business losses), other temporary difference on account of rectification of prior period errors and on account of adjustments made on transition to Ind AS.

Note VI - Retained earnings

Retained earnings as at 1 April 2020 has been adjusted consequent to below Ind AS transition adjustments.

Ind AS Impact	Note No.	31 March 2021	1 April 2020
Total Equity as per previous GAAP			
Correction on account of prior period adjustment		(447.33)	(692.03)
Provision for Expected credit loss	(a)	-	19.00
Recognition of depreciation on right of use assets, recognition of interest on lease liability net of rental expenditure	III II	(120.01) (4.96)	(113.78) (3.33)
Adjustment for fair valuation of Gratuity	VIII	0.68	(0.08)
Other adjustments		0.26	0.40
Tax effect of adjustments	V	106.83	95.51
Effective interest rate adjustment on borrowings	IV	9.03	44.75
Equity as per Ind AS		(455.51)	(649.57)

a. Prior period adjustment

The Company has made certain errors in the adoption on accounting policies, accrual of revenue and timing of cost of sales. During the current year, on transition to Ind AS, the Company has rectified these errors by restating the transition date balance sheet and balance sheet as at March 31, 2021.

Particulars	31 March 2021	1 April 2020
Timing of recognition of revenue	(119.88)	119.88
Timing of recognition of COGS on above revenue	100.88	(100.88)
Total	(19.00)	19.00

Note VII - Revenue

The revenue is grossed up with regard to the agent vs principal considerations in line with Ind AS 115 which was netted off under previous GAAP.

Note VIII - Defined benefit obligation

Both under Indian GAAP and Ind-AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are to be recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Whereas, the Company has recognised all the remeasurements to the Statement of profit and loss and decided to follow the same consistently.



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44 Ratios as per the Schedule III requirements

a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	31 March 2022	31 March 2021	01 April 2020
Current Assets	615.46	361.86	266.29
Current Liabilities	420.58	661.84	464.50
Ratio	1.46	0.55	0.57
% Change from previous year	168%	-5%	

Reason for change more than 25%:

The ratio has increased from 0.55 in March 2021 to 1.46 in March 2022, considering the increased trade receivables due to higher volume of business. Further current liabilities (such as borrowings and trade payable has decreased) due to better cashflow management by the Company during the year.

b) Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	31 March 2022	31 March 2021	01 April 2020
Total debt	644.72	690.84	663.80
Total equity	-35.58	-455.51	-649.57
Ratio	-18.12	-1.52	-1.02
% Change from previous year	1095%	48%	

Reason for change more than 25%:

The ratio has decreased from 1.02 in April 2020 to 1.52 in March 2021 and further to 18.12 in March 2022, due to increase in business volumes in terms of products/new customers resulting into profits and corresponding decrease in carryforward losses.

c) Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest and principal repayments

Particulars	31 March 2022	31 March 2021	01 April 2020
Profit before tax	511.78	181.98	47.71
Add: Non cash operating expenses and finance cost	90.85	97.56	63.63
-Depreciation and amortizations	20.97	20.46	18.80
-Finance cost	69.88	77.10	44.83
Earnings available for debt services	602.63	279.54	111.34
Interest cost on borrowings	30.70	38.86	40.97
Principal repayments	348.37	21.53	31.99
Total Interest and principal repayments	379.07	60.39	72.96
Ratio	1.59	4.63	1.53
% Change from previous year	-66%	203%	

Reasons for change more than 25%:

The ratio has increased from 1.53 in April 2020 to 4.63 in March 2021, on account of increase in profit during the year thereby significant amount being available to debt holders.

The ratio has decreased from 4.63 in March 2021 to 1.59 in March 2021, mainly on account of repayment of OCD by taking term loan from bank.

d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity

Particulars	31 March 2022	31 March 2021	01 April 2020
Net profit after tax	419.21	193.30	37.19
Total equity	-35.58	-455.51	-649.57
Ratio	-1178.29%	-42.44%	-5.73%
Change in basis points (bps) from previous year	1,13,586	3,671	
% Change from previous year	2677%	-641%	

Reason for change more than 25%:

The return on equity has increased by 3,671 bps in March 2021 as compared to April 2020 mainly due to increase in business volumes resulting into profit after tax and positive change in owner's equity.

The return on equity has increased by 1,13,581 bps in March 2022 as compared to March 2021 mainly due to increase in business volumes resulting into profit after tax and positive change in owner's equity.

e) Inventory Turnover Ratio = Cost of materials consumed divided by closing inventory

Particulars	31 March 2022	31 March 2021	01 April 2020
Cost of materials consumed	17.78	15.12	28.77
Closing Inventory	1.12	2.69	0.23
Inventory Turnover Ratio	15.88	5.62	125.09
% Change from previous year	182%	-96%	

Reason for change more than 25%:

The ratio has decreased from 125.09 in April 2020 to 5.63 in March 2021, on account of increased consumption of virtual stock instead of physical stock.

The ratio has increased from 5.62 in March 2021 to 15.88 in March 2022, on account of increased consumption of stock vis a vis decrease in the overall inventory maintained by the company.

f) Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables

Particulars	31 March 2022	31 March 2021	01 April 2020
Credit Sales	3,712.55	2,399.66	683.33
Closing Trade Receivables	429.51	226.81	159.21
Ratio	8.64	10.58	4.29
% Change from previous year	-18%	147%	

Reason for change more than 25%:

The ratio has increased from 4.29 in April 2020 to 10.58 in March 2021, on account of the fact that despite of increase in the turnover, the resultant debtors balances did not increase proportionately.



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Notes to the financial statements for the year ended March 31, 2022

(All amounts are Rs. in Millions, unless stated otherwise)

g) Trade payables turnover ratio = Credit purchases divided by closing trade payables

Particulars	31 March 2022	31 March 2021	01 April 2020
Credit Purchases	1,435.08	296.67	61.53
Closing Trade Payables	107.35	191.04	159.67
Ratio	13.37	1.55	0.39
% Change from previous year	761%	303%	

Reason for change more than 25%:

The ratio has increased from 0.39 in April 2020 to 1.55 in March 2021 and further to 13.37 in March 2022, on account of improved payables position (company paid off efficiently) and maintained lower payable levels despite increase in the consumption.

h) Net capital Turnover Ratio = Sales divided by Net Working capital whereas net working capital= current assets - current liabilities

Particulars	31 March 2022	31 March 2021	01 April 2020
Sales	3,712.55	2,399.66	683.33
Net Working Capital	194.88	-299.98	-198.21
Ratio	19.05	-8.00	-3.45
% Change from previous year	338%	-132%	

Reason for change more than 25%:

The ratio has decreased from 3.45 in April 2020 to 8.00 in March 2021, on account of increase in turnover but no corresponding increase in the working capital.

The ratio has increased from 8.00 in March 2021 to 19.05 in March 2022, on account of significant change in sales coupled with changing of negative working capital into positive working capital as on the balance sheet date.

i) Net profit ratio = Net profit after tax divided by Sales

Particulars	31 March 2022	31 March 2021	01 April 2020
Net profit after tax	419.21	193.30	37.19
Sales	3,712.55	2,399.66	683.33
Ratio	11.29%	8.06%	5.44%
Change in basis points (bps) from previous year	324	261	
% Change from previous year	40%	48%	

Reason for change more than 25%:

The ratio has increased from 5.44 in April 2020 to 8.06 in March 2021 and further to 11.19 in March 2022, on account of increase in overall revenue from operations of the company which has resulted in better utilisation of capacity and lowering of fixed expenses.

j) Return on Capital employed (pre cash)=Earnings before interest and taxes(EBIT) divided by Capital Employed(pre cash)

Particulars	31 March 2022	31 March 2021	01 April 2020
Profit before tax (A)	511.78	181.98	47.71
Finance Costs (B)	69.88	77.10	44.83
Other Income (C)	4.09	3.27	0.30
EBIT (D) = (A)+(B)-(C)	577.57	255.81	92.25
Capital Employed (Pre Cash) (J)=(E)-(F)-(G)-(H)-(I)	445.25	-180.81	-132.71
Total Assets (E)	901.94	513.92	394.54
Current Liabilities (F)	420.58	661.84	464.50
Current Investments (G)	-	-	-
Cash and Cash equivalents (H)	7.11	27.89	60.64
Bank balances other than cash and cash equivalents (I)	29.00	5.00	2.11
Ratio (D)/(J)	1.30	-1.41	-0.70
Change in basis points (bps) from previous year	27,120	-7,197	NA
% Change from previous year	192%	-104%	NA

Reason for change more than 25%:

The ratio has decreased from 0.70 in April 2020 to 1.41 in March 2021, on account of increase in finance cost and current liabilities including current maturities of long term borrowings.

The ratio has increased from 1.41 in March 2021 to 1.30 in March 2022, on account of significant rise in EBIT due to increase in business volume in terms of products/new customers.

As per our report attached

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.:105047W

Amit Kumar Agarwal

Partner

Membership No: 214198

For P R S V & Co. LLP

Chartered Accountants

ICAI Firm Registration No.:S200016

Y. Venkateswarlu

Partner

Membership No: 222068

For and on behalf of the Board of

Zaggle Prepaid Ocean Services Limited

CIN : U65999TG2011PLC074795

Raj P Narayanam

Executive Chairman

DIN: 00410032

Hari Priya

Company Secretary

Membership No: A22232

Avinash Ramesh Godkhindi

Managing Director & CEO

DIN : 05250791

Venkata Aditya Kumar Grandhi

Chief Financial Officer

Place: Hyderabad

Date: September 29, 2022

Place: Hyderabad

Date: September 29, 2022

