INDEPENDENT AUDITOR'S REPORT

To the Members of
TranServ Limited
(formerly TranServ Private Limited)
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TranServ Limited (formerly TranServ Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and 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 (hereinafter referred to as "the Financial Statements").

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 the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Management's Responsibility for the Financial Statements

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 state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', 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 relevant books of account;

(d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to a director for the year ended March 31, 2021, which was in excess of the prescribed limits under Section 197 of the Act read with Schedule V of the Act, has been, subsequent to the year ended March 31, 2021, approved by the shareholders of the Company in their general meeting on June 17, 2021. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company does not have any pending litigations which would impact its financial position.

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii) There here were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Ajay Sardana Associates
Chartered Accountants
Firm Registration No. 016827N

Rahul Mukhi
Partner
Membership No.099719
New Delhi, June 17, 2021
UDIN: 21099719AAAADD2654

Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Transerv Limited for the year ended March 31, 2021

Report on the statement of matters specified in paragraphs 3 and 4 of the Order.

(i) ln respect of its Fixed Assets:

(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) According to the information and explanation given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified at the end of the financial year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification;

(c) According to the information and explanation given to us, the Company does not have any immovable property. Accordingly, paragraph 3(i)(c) of the Order is not applicable in the Company.

(ii) In respect of its inventories:

(a) The Company's business does not involve holding physical inventories. In respect of its inventories comprising primarily of electronic vouchers has been verified by management during the year in a manner appropriate to the nature of the inventories. In our opinion, the frequency of such verification is reasonable.

(b) The procedures for such verification of inventory, as aforesaid, followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. No material discrepancies have been noted between book records and verification of inventory conducted by management.

(iii) According to information and explanations given to us, the Company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) According to information and explanations given to us, the Company has not entered into transactions in respect of loans, investments, guarantees and security, covered under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanation given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 of the Act and other relevant provision of the Act and the rules framed thereunder. Thus, paragraph 3(v) of the Order is not applicable.

(vi) Having regard to the nature of the Company's business / activities, reporting under 3 (vi) pertaining to the maintenance of cost records is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, goods and service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, *except delay in a few cases in respect of income tax and goods and service tax*. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, goods and service tax and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable, except as below:

Name of the statute	**Nature of the dues**	**Amount (Rs in lakhs)**	**Financial year to which the amount relates**	**Due Date**	**Date of Payment**
The Integrated Goods And Services Tax Act, 2017	Goods and Service tax	3.47	2018-19	April 20, 2019	June 17, 2021
The Integrated Goods And Services Tax Act, 2017	Goods and Service tax	2.63	2019-20	April 20, 2020	June 17, 2021
The Integrated Goods And Services Tax Act, 2017	Goods and Service tax	4.21	2020-21	April 20, 2021	June 17, 2021

(b) According to the information and explanations given to us, the Company did not have any dues of income tax or sales tax or goods and service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, the Company did not have any dues in respect of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) According to the information and explanation given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) Based upon the audit procedures performed for the purpose of reporting on the true and fair view of the financial statements and according to the information and explanations given to us by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the remuneration paid by the Company to a director for the year ended March 31, 2021, which was in excess of the prescribed limits under Section 197 of the Act read with Schedule V of the Act, has been, subsequent to the year ended March 31, 2021, approved by the shareholders of the Company in their general meeting on June 17, 2021.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanation given to us and based on the our examination of the records of the company, transaction with the related parties are in compliance with section 177 and section 188 of the Act, where applicable, and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Ajay Sardana Associates
Chartered Accountants
Firm Registration No. 016827N

Rahul Mukhi
Partner
Membership No.099719
New Delhi, June 17, 2021
UDIN: 21099719AAAADD2654

Annexure B to the Independent Auditor's Report of even date on the Financial Statements of TranServ Limited (formerly TranServ Private Limited) for the year ended March 31, 2021

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 over financial reporting of TranServ Limited (formerly TranServ Private Limited) ("the Company") as of March 31, 2021 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 over financial reporting with reference to these Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, 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 adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Financial Statements and such internal financial controls over financial reporting with reference to these Financial Statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ajay Sardana Associates
Chartered Accountants
Firm Registration No. 016827N

Rahul Mukhi
Partner
Membership No.099719
New Delhi, June 17, 2021
UDIN: 21099719AAAADD2654

TranServ Limited
(formerly TranServ Private Limited)
Balance sheet as at March 31, 2021
(All amounts in lakhs unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
(a) Property, plant and equipment	3	7.57	8.01
(b) Right of use assets	4	-	217.22
(c) Intangible assets	5	132.15	302.97
(d) Financial assets			
(i) Loans	6	9.50	17.77
(ii) Other Financial Assets	7	10.00	5.00
(e) Income Tax Assets (Net)	8(a)	40.50	92.25
(f) Deferred tax assets	8(b)	380.95	283.21
(g) Other non-current assets	9	12,176.19	982.72
Total non-current assets		**12,756.86**	**1,909.15**
Current assets			
(a) Inventories	10	-	8.62
(b) Financial assets			
(i) Trade receivables	11	902.63	103.96
(ii) Cash and cash equivalents	12	900.01	2,021.24
(iii) Other bank balances	13	10,329.00	4,413.39
(iv) Loans	14	14.74	0.50
(v) Other financial assets	15	1,114.56	289.72
(c) Other current assets	16	3,350.23	426.13
Total current assets		**16,611.17**	**7,263.56**
Total assets		**29,368.03**	**9,172.71**
Equity and liabilities			
Equity			
(a) Equity share capital	17	647.92	647.92
(b) Other equity	18	3,563.63	2,983.53
Total equity		**4,211.55**	**3,631.45**
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	19	-	164.72
(b) Provisions	20	38.42	17.47
Total non-current liabilities		**38.42**	**182.19**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	18,600.00	-
(ii) Lease liabilities	22	-	64.06
(iii) Trade payables	23		
-Total outstanding dues of micro enterprises and small enterprises		-	2.42
-Total outstanding dues of creditors other than micro enterprises and small enterprises		1,473.43	836.13
(iv) Other financial liabilities	24	4,618.14	3,869.84
(b) Other current liabilities	25	425.85	586.11
(c) Provisions	26	0.64	0.51
Total current liabilities		**25,118.06**	**5,359.07**
Total equity and liabilities		**29,368.03**	**9,172.71**

The accompanying notes form an integral part of these financial statements.
This is the Balance Sheet referred to in our report of even date

For Ajay Sardana Associates
Chartered Accountants
Firm Registration No: 016827N

For and on behalf of board of directors

Rahul Mukhi
Partner
Membership No: 099719
New Delhi, June 17, 2021

Anish Williams
Director
DIN:03314110

Pinank Javant Shah
Director
DIN:07859778

Mumbai, June 17, 2021

TranServ Limited
(formerly TranServ Private Limited)
Statement of Profit and Loss for the year ended March 31, 2021
(All amounts in lakhs unless otherwise stated)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue			
I. Revenue from operations	27	6,839.21	6,301.31
II.Net Gain on derecognition of financial assets (at amortised cost)		0.23	0.15
III. Other income	28	79.18	31.74
Total income (I + II + III)		**6,918.62**	**6,333.20**
IV. Expenses			
Changes in inventories	29	8.62	305.24
Employee benefits expense	30	705.31	258.51
Finance costs	31	192.64	21.88
Depreciation and amortization	32	156.70	299.77
Other expenses	33	5,780.97	2,943.08
Total expenses (IV)		**6,844.24**	**3,828.48**
V. Profit/(Loss) before exceptional items and tax		**74.38**	**2,504.72**
VI. Exceptional items		-	-
VII. Profit/(Loss) before tax		**74.38**	**2,504.72**
VIII. Tax expense:	34		
Current tax		-	-
Tax expense for earlier years		(0.09)	1.00
Deferred tax		(95.42)	(290.75)
Total tax expense		**(95.51)**	**(289.75)**
IX. Profit (Loss) for the year from continuing operations (VII - VIII)		**169.89**	**2,794.47**
X. Profit/(loss) from discontinued operations		-	-
XI. Tax expense of discontinued operations		-	-
XII. Tax expense of discontinued operations (X - XI)		-	-
XIII. Profit/(loss) for the year (IX+XII)		**169.89**	**2,794.47**
XIV. Other comprehensive income :			
Items that will not be reclassified to profit and loss			
Re-measurement (loss)/gain on defined benefit plans		(9.23)	29.96
Income tax relating to items that will not be reclassified to profit and loss		2.32	(7.54)
Total other comprehensive income/ (loss)		**(6.91)**	**22.42**
XV. Total comprehensive income / (loss) for the year (XIII + XIV)		**162.98**	**2,816.89**
XVI. Earnings per equity share	35		
Basic		2.62	43.13
Diluted		2.62	43.13
Face value Rs.10 each		10.00	10.00

The accompanying notes form an integral part of these financial statements.
This is the Statement of Profit and Loss referred to in our report of even date

For Ajay Sardana Associates	For and on behalf of board of directors	
Chartered Accountants		
Firm Registration No: 016827N		
Rahul Mukhi	Anish Williams	Pinank Jayant Shah
Partner	Director	Director
Membership No: 099719	DIN:03314110	DIN:07859778
New Delhi, June 17, 2021	Mumbai, June 17, 2021	

TranServ Limited
(formerly TranServ Private Limited)
Statement of changes in equity for the year ended March 31, 2021
(All amounts in lakhs unless otherwise stated)

A Equity share capital

Particulars	Balance at April 1, 2019	Changes during the year	Balance at March 31, 2020	Changes during the year	Balance at March 31, 2021
Equity share capital	647.92	-	647.92	-	647.92

B Other equity

Particulars	Reserve and surplus			Total
	Securities premium	Share options outstanding reserve	Retained earnings	
Balance as at April 1, 2019	7,632.94	-	(7,466.30)	**166.64**
Profit for the year	-	-	2,794.47	**2,794.47**
Remeasurement of the net defined benefit liability (net of tax)	-	-	22.42	**22.42**
Balance as at March 31, 2020	**7,632.94**	**-**	**(4,649.41)**	**2,983.53**
Profit for the year	**-**	-	169.89	**169.89**
Remeasurement of the net defined benefit liability (net of tax)	**-**	-	(6.91)	**(6.91)**
Recognised in the statement of profit and loss	**-**	417.12	**-**	**417.12**
Balance as at March 31, 2021	**7,632.94**	**417.12**	**(4,486.43)**	**3,563.63**

The accompanying notes are an integral part of these financial statements
This is the Statement of Changes in Equity referred to in our report of even date

For Ajay Sardana Associates
Chartered Accountants
Firm Registration No: 016827N

For and on behalf of board of directors

Rahul Mukhi
Partner
Membership No: 099719
New Delhi, June 17, 2021

Anish Williams
Director
DIN:03314110
Mumbai, June 17, 2021

Pinank Jayant Shah
Director
DIN:07859778

TranServ Limited
(formerly TranServ Private Limited)
Statement of Cash flows for the year ended March 31, 2021
(All amounts in lakhs unless otherwise stated)

		For the year ended March 31, 2021	For the year ended March 31, 2020
A	**Cash flow from operating activities**		
	Profit/(Loss) before tax	74.38	2,504.72
	Adjustments for:		
	Depreciation and amortisation	156.70	299.77
	Impairment loss on intangible assets	27.55	13.81
	Excess Provision written back	(0.04)	(4.35)
	Interest income classified as investing cash flows	(57.41)	(17.32)
	Share based payments to employees	417.12	-
	Provision for gratuity	5.42	5.98
	Provision for leave encashment	6.43	-
	Gain on derecognition of financial assets	(14.37)	(0.15)
	Unwinding of interest income (Financial assets carried at amortised cost)	(0.58)	(1.29)
	Net Gain on derecognition of financial assets at Amortised Cost	(0.23)	-
	Balances written off	-	0.95
	Digital wallet expenses	807.51	-
	Interest on lease liabilities	5.83	21.41
	Interest on loans	186.63	-
	Inventory written off	7.68	-
	Bad debts	0.14	0.82
	Profit on sale of property, plant and equipment (net)	-	(1.00)
	Operating profit before working capital changes	**1,622.76**	**2,823.35**
	Movement in working capital		
	(Increase)/decrease in trade receivables	(798.81)	(59.34)
	Decrease/(increase) in inventories	0.94	17.64
	Decrease/ (Increase) in loans	(5.16)	5.42
	Decrease/ (Increase) in other bank balances	(5,915.61)	(4,262.80)
	(Increase)/decrease in other financial assets	(829.84)	600.05
	Decrease/(Increase) in other current assets	(2,924.10)	(415.46)
	(Increase)/ Decrease in other non-current assets	(12,000.98)	(981.93)
	Increase / (Decrease) in trade payables	634.88	703.01
	Increase/ (Decrease) in other current liabilities	(160.26)	547.54
	Increase / (Decrease) in other financial liabilities	748.35	2,382.58
	Cash used in operating activities post working capital changes	**(19,627.83)**	**1,360.06**
	Income tax refund/ (paid) (net)	51.84	37.31
	Net cash used in operating activities (A)	**(19,575.99)**	**1,397.37**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	-	(2.91)
	Proceeds from sale of property, plant and equipment	-	2.07
	Interest received	57.41	14.84
	Net cash used in/ (flow from) investing activities (B)	**57.41**	**14.00**
C	**Cash flows from financing activities**		
	Increase / (Decrease) in Borrowings	18,600.00	-
	Interest paid	(186.63)	(0.03)
	Payment of Lease liabilities	(16.02)	(53.38)
	Net cash flow from/ (used in) financing activities (C)	**18,397.35**	**(53.41)**
	Net increase (decrease) in cash and cash equivalents (A+B+C)	(1,121.23)	1,357.95
	Cash and cash equivalents at the beginning of the year	2,021.24	663.29
	Cash and cash equivalents at the end of the year	**900.01**	**2,021.24**

TranServ Limited
(formerly TranServ Private Limited)
Statement of Cash flows for the year ended March 31, 2021 (continued):
(All amounts in lakhs unless otherwise stated)

Notes:

i) The above Statement of cash flows has been prepared under the "Indirect method" as set out in Indian Accounting Standard (IND AS -7) Statement of Cash Flows.

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

For Ajay Sardana Associates	For and on behalf of board of directors	
Chartered Accountants		
Firm Registration No: 016827N		
Rahul Mukhi	Anish Williams	Pinank Jayant Shah
Partner	Director	Director
Membership No: 099719	DIN:03314110	DIN:07859778
New Delhi, June 17, 2021	Mumbai, June 17, 2021	

TranServ Limited
(formerly TranServ Private Limited)
Notes to the financial statements for the year ended March 31, 2021
(All amounts in lakhs unless otherwise stated)
Note 3
Property, plant and equipment

Description	Computers	Office equipment	Furniture and fixtures	Total
As at April 1, 2019	19.05	1.21	0.35	**20.61**
Additions during the year	0.08	1.34	1.49	**2.91**
Disposals	2.79	0.08	0.16	**3.03**
As at March 31, 2020	**16.34**	**2.47**	**1.68**	**20.49**
Additions during the year	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2021	**16.34**	**2.47**	**1.68**	**20.49**
Accumulated Depreciation				
As at April 1, 2019	12.15	0.83	0.16	**13.14**
Charged for the year	0.43	0.53	0.35	**1.31**
Disposals	1.81	0.04	0.12	**1.97**
As at March 31, 2020	**10.77**	**1.32**	**0.39**	**12.48**
Charged for the year	0.02	0.27	0.15	**0.44**
Disposals	-	-	-	-
As at March 31, 2021	**10.79**	**1.59**	**0.54**	**12.92**
Net block as at March 31, 2020	**5.57**	**1.15**	**1.29**	**8.01**
Net block as at March 31, 2021	**5.55**	**0.88**	**1.14**	**7.57**

(All amounts in lakhs unless otherwise stated)

Note 4
Right of use Assets (Refer Note 42)

Description	Right to use Assets
As at April 1, 2019	-
Additions during the year	**260.75**
Adjusttment during the year	-
As at March 31, 2020	**260.75**
Additions during the year	-
Adjusttment during the year	**260.75**
As at March 31, 2021	-
Amortisation	
As at April 1, 2019	-
Charged during the year	**43.53**
Disposals	-
As at March 31, 2020	**43.53**
Charged during the year	**12.99**
Adjustment during the year	**56.52**
As at March 31, 2021	-
Net block as at March 31, 2020	**217.22**
Net block as at March 31, 2021	-

Note 5
Intangible assets

Description	Amount (Rs.)
Gross block	
As at April 1, 2019	**1,467.50**
Additions during the year	10.21
Impairment loss recognized during the year	13.81
As at March 31, 2020	**1,463.90**
Additions during the year	-
Impairment loss recognized during the year	**27.55**
As at March 31, 2021	**1,436.35**
Amortisation	
As at April 1, 2019	905.99
Charged during the year	254.94
Disposals	-
As at March 31, 2020	**1,160.93**
Charged during the year	143.27
Disposals	-
As at March 31, 2021	**1,304.20**
Net block as at March 31, 2020	**302.97**
Net block as at March 31, 2021	**132.15**

1. Nature of operations

TranServ Limited (formerly known as TranServ Private Limited) (the 'Company') was incorporated on 24 December 2010 as a private limited company under the Companies Act, 1956. The Company was set up to carry on the business of providing technical services like online payment gateway, data processing, banking transaction solutions, development of specialized system software and application software, smart card based solutions, in India to banking and other customers. The Company was authorized to issue and operate semi closed Prepaid Payment Instruments (PPI) on 22 February 2016. The Company had started issuing an internet/mobile wallet with brand name "UDIO" in August 2016. In March 2019, the Company has renamed its wallet with brand name "Dhani Pay".

In accordance with the applicable provisions of the Companies Act 2013, the members of the Company at their extra-ordinary general meeting held on February 26, 2020 accorded their approval, by way of a special resolution, to remove the restrictive clauses of its Articles of Association as applicable to a private limited company and also approved the resultant change in the status of the Company from a private limited company to a public limited company. Subsequently, the Registrar of Companies, Mumbai, Maharashtra, in terms of section 18 of the Companies Act 2013 issued a certificate of incorporation dated May 12, 2020, registering the change in the status of the Company from a private limited company to a public limited company. Accordingly, the name of the company was changed from Transerv Private Limited to Transerv Limited.

Further, Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) ("DLSL"), acquired the balance 58% equity shareholding in the Company with effect from April 1, 2020 from the existing shareholders. As a result, the Company became a wholly owned subsidiary of DLSL with effect from April 1, 2020.

1.2. General information and compliance with Ind AS

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for the periods presented.

The financial statements of the Company were approved for issue by the Board of Directors on June 17, 2021.

1.3. Basis of preparation

These financial statements have been prepared in Indian Rupees which is the functional currency of the Company. These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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 statement of cash flows have been prepared under indirect method.

1.4. Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013.

The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance sheet:

Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or noncurrent.

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Specified format for disclosure of shareholding of promoters.

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

1.5. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements.

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle [Note1]
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

1.5 Summary of significant accounting policies (continued):

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle [Refer Note1 below]
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

Note 1: Based on the nature of products and services and the time between acquisition of assets for processing and their realisation in cash and 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.

b) Property, plant and equipment

Recognition and initial measurement
All property, plant and equipment are initially recognized at cost. Cost comprises the purchase price and any directly attributable cost to bring the asset to its working condition for its intended use. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized. .

Subsequent measurement (depreciation and useful lives)
Depreciation on Property, plant and equipment is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 as below:

Computer, hardware and servers – 3 years
Office equipment – 5 years
Furniture and fixtures – 10 years

c) Intangible assets and intangible assets under development

Recognition and initial measurement
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The Company estimates that the useful life of software at five years basis the expected economic benefits from such software. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

1.5 Summary of significant accounting policies (continued)
c) Intangible assets and intangible assets under development

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured at the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

Subsequent measurement (amortisation)
All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalized costs are amortized on Straight line method w.e.f. April 01, 2020 (Written Down Value basis upto March 31, 2020) over a period of five years.

d) Inventories

Inventories comprise of biometric machines, e-vouchers and plastic card kits. These are carried at lower of cost and net realizable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

e) Revenue recognition

Revenue is recognized upon transfer of control of services ('performance obligations') to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers.

The Company has adopted Ind AS – 115 Revenue from contracts with customers, with effect from 1st April, 2018. Ind AS – 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. Under AS 115, revenue is recognised through a 5-step process:

1. Identifying the contract(s) with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognise revenue when a performance obligation is satisfied.

The company presents revenues net of indirect taxes in its statement of profit and loss.

The Company has adopted Ind AS – 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. 1st April, 2018). Accordingly, the comparative information in the Standalone Statement of Profit and Loss is not restated. Impact on adoption of Ind AS – 115 is not material.

1.5 Summary of significant accounting policies (continued)

e) Revenue recognition (continued)

The Company recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognizes either a contract asset or a receivable in its balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

The Company applies the revenue recognition criteria to each separately identifiable component of the revenue transaction as set out below:

(i) Revenue from digital services is recognized for providing payment gateway aggregation services and as a platform for merchant transactions executed through the wallets provided to customers through payment gateways, on a periodic basis as and when transactions are settled. Wallet maintenance fees in relation to facilitating wallet transactions and maintenance of related technical platforms is recognized on an accrual basis. Merchant fees from wallet transactions is recognized on the basis of successful pay-out of wallet usage to the respective merchants. The settlements are done daily for such transactions with the merchants. Revenue from banking correspondence services are recognised on accrual basis in accordance with the terms and conditions of the underlying mandates entered into with bank. Revenue from ancillary activities such as convenience fee, commission income etc. are recognized upon rendering of services. The Company provides card enabled prepaid payment program management and remittance services. In such contracts, revenue is recognized as and when transactions are done through cards

(ii)Interest income is recognised using the effective interest method as set out in Ind AS 109 – Financial Instruments: Recognition and Measurement, when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

(iii) The incremental costs of obtaining customer contracts are recognized as an asset where the Company expects to recover these costs. Such assets are amortised on a systematic basis, as estimated by management, that is consistent with the transfer of the services under the contracts/anticipated contracts.

f) Impairment of non-financial assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset’s net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

1.5 Summary of significant accounting policies (continued)

g) Financial instruments

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets
Subsequent measurement

i. **Financial assets carried at amortised cost**– A ‘financial asset’ is measured at the amortised cost if both the following conditions are met:
   - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
   - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

   After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. **Investments in mutual funds–** Investments in mutual funds which are held for trading are classified at Fair Value Through Profit or Loss (FVTPL).

De-recognition of financial assets
A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement
Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

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

1.5 **Summary of significant accounting policies (continued)**

h) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Company assesses on forward looking basis the expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

Trade receivables
In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance 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.

Other financial assets
In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort..

i) Income taxes
Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, balance with banks in current in current accounts and other short term highly liquid investments with original maturity of three months and less.

1.5 Summary of significant accounting policies (continued)

k) Employee benefits

Short term employee benefits
Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short term employee benefits to be paid in exchange for employee services are recognized as an expense as the related service is rendered by employees.

Defined contribution plan
Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Payments to defined contribution retirement benefit schemes (such as Provident Fund, Employee's State Insurance Corporation) are charged to the statement of profit and loss of the year in which contribution to such schemes becomes due.

Defined benefit plan
For defined benefit schemes, the cost of providing benefits is determined using Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

l) Provisions

Provisions are recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

m) Contingent liabilities and contingent assets

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

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

n) Share based payments

The Company has formulated Employees Stock Option Scheme. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

1.5 Summary of significant accounting policies (continued)

o) Foreign currency transactions

Functional and presentation currency
The financial statements are presented in Indian Rupee ('INR' or '``') which is also the functional and presentation currency of the Company.

Transactions and balances
Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

p) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Leases

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

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

(i) Right-of-use Assets (ROU Assets)
The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

1.5 Summary of significant accounting policies (continued)

q) Leases (continued)

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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

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

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

r) Significant management judgement and estimates

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses

Significant management judgements
The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

1.5 Summary of significant accounting policies (continued)

r) Significant management judgement and estimates (continued)

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Contingent liabilities– At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

Provisions –Estimate for provisions recognised is based on management best estimate of the expenditure required to settle the present obligation at the year end and is based on historical experience, expected changes in economic conditions, changes in exchange rates.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on its business operations and financial position, based on its review of current indicators of future economic conditions. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

(All amounts in lakhs unless otherwise stated)

Note 6
Loans - non current

	As at March 31, 2021	As at March 31, 2020
(at amortised cost)		
Security Deposits	9.50	17.77
	9.50	**17.77**

Note 7
Other financial assets - non current

	As at March 31, 2021	As at March 31, 2020
Bank deposits having maturity of more than twelve months	10.00	5.00
	10.00	**5.00**

Note 8(a)
Income tax assets

	As at March 31, 2021	As at March 31, 2020
Income Tax Deducted at Source	40.50	92.25
	40.50	**92.25**

Note 8(b)
Deferred tax assets (net)

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets		
Arising on account of temporary differences due to:		
Property, plant and equipment and other intangible assets	15.20	4.96
Right of use assets	-	2.91
Provision for Gratuity	8.22	-
Provision for compensated absences	1.62	4.53
Share options outstanding reserve	104.98	-
Financial assets measured at amortised cost	-	0.07
Unabsorbed Depreciation	254.59	270.74
Less: Deferred tax liabilities		
Arising on account of temporary differences due to:		
Financial assets measured at amortised cost	(3.66)	-
Deferred tax assets (net)	**380.95**	**283.21**

Movement of deferred tax balances

Particulars	**As at April 1, 2020**	**Recognized in Statement of Profit and loss**	**Recognized in Other comprehensive income**	**As at March 31, 2021**
Deferred tax assets/ (liabilities) arising on account of temporary differences due to:				
Property, Plant and equipment	4.96	(10.24)	-	15.20
Right of use assets	2.91	2.91	-	-
Provision for Gratuity	4.53	(1.37)	(2.32)	8.22
Provision for Leave encashment	-	(1.62)	-	1.62
ESOP reserve	-	(104.98)	-	104.98
Financial assets measured at amortised cost	0.07	0.11	-	(0.04)
Gain on Recognition	-	3.62	-	(3.62)
Unabsorbed Depreciation	270.74	16.15	-	254.59
Total	**283.21**	**(95.42)**	**(2.32)**	**380.95**

Movement of deferred tax balances

Particulars	**As at April 1, 2019**	**Recognized in Statement of Profit and loss**	**Recognized in Other comprehensive income**	**As at March 31, 2020**
Deferred tax assets/ (liabilities) arising on account of temporary differences due to:				
Property, Plant and equipment	-	(4.96)	-	4.96
Right of use assets	-	(2.91)	-	2.91
Provision for Gratuity	-	(12.07)	7.54	4.53
Financial assets measured at amortised cost	-	(0.07)	-	0.07
Unabsorbed Depreciation	-	(270.74)	-	270.74
Total	**-**	**(290.75)**	**7.54**	**283.21**

(All amounts in lakhs unless otherwise stated)

Note 9	**As at March 31, 2021**	**As at March 31, 2020**
Other non-current assets		
Unamortised cost of cards	2,134.22	977.98
Unamortised customer acquisition cost	10,040.78	-
Prepaid expenses	1.19	4.74
	12,176.19	**982.72**

Note 10	**As at March 31, 2021**	**As at March 31, 2020**
Inventories		
(at lower of cost or net realisable value)		
Comprising of:		
E-vouchers	-	5.39
Pin-pad devices	-	3.23
	-	**8.62**

Note 11	**As at March 31, 2021**	**As at March 31, 2020**
Trade receivables		
Unsecured, Considered good	902.63	103.96
	902.63	**103.96**

Note 12	**As at March 31, 2021**	**As at March 31, 2020**
Cash and cash equivalents		
Cash on hand	0.11	0.09
Gold	0.03	0.03
Balances with banks - current accounts	857.32	1,977.61
Bank deposits having original maturity of less than three months	42.55	43.51
	900.01	**2,021.24**
* Includes interest accrued thereon	2.55	3.51

(All amounts in lakhs unless otherwise stated)

Note 13 **Other bank balances**	**As at March 31, 2021**	**As at March 31, 2020**
Bank deposits having maturity of more than three months and upto twelve months	812.77	800.30
Earmarked balances	9,516.23	3,613.09
	10,329.00	**4,413.39**

Note 14 **Loans - current**	**As at March 31, 2021**	**As at March 31, 2020**
(at amortised cost)		
Security deposits	14.74	0.50
	14.74	**0.50**

Note 15 **Other financial assets - current**	**As at March 31, 2021**	**As at March 31, 2020**
Balance with bank on account of digital wallet business*	212.19	239.37
Other receivables	902.37	50.35
	1,114.56	**289.72**

* Represents Customer balances held in escrow accounts.

Note 16 **Other current assets**	**As at March 31, 2021**	**As at March 31, 2020**
Prepaid expenses	29.07	3.58
Vendor advances (other than capital advances)	142.53	25.78
Prefunded balances with service provides (net of settled transactions)	112.81	102.14
Balances with government authorities	1,246.43	294.63
Unamortised cost of cards	287.60	-
Unamortised Customer acquisition cost	1,531.79	-
	3,350.23	**426.13**

(All amounts in lakhs unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Note 18		
Other Equity		
Securities premium	7,632.94	7,632.94
Share options outstanding reserve	417.12	-
Retained earnings	(4,486.43)	(4,649.41)
	3,563.63	**2,983.53**

Securities premium
Securities premium represents premium received on issue of shares. The account can be utilised in accordance with the provisions of the Companies Act 2013.

Share options outstanding reserve
The share based payment reserve is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in share based payment reserve are transferred to share premium/retained earnings upon exercise of stock options by employees.

Retained earnings
Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

	As at March 31, 2021	As at March 31, 2020
Note 19		
Lease Liabilities - non current		
Lease Liabilities (Refer note 42)	-	164.72
	-	**164.72**

	As at March 31, 2021	As at March 31, 2020
Note 20		
Provisions - non current (Refer note 41)		
Provision for gratuity	31.99	17.47
Provision for compensated absences	6.43	-
	38.42	**17.47**

	As at March 31, 2021	As at March 31, 2020
Note 21		
Borrowings- current		
Inter Company Deposits (from related party) (unsecured)	18,600.00	-
	18,600.00	**-**

(a) Unsecured Inter corporate loan taken from a fellow subsidiary company is repayable on demand and carries interest at the rate of 8.25% per annum, payable monthly. The facility is available to the Company for a period of five years as per the terms of the agreement.
(b) There is no default as on the Balance Sheet date in repayment of the respective loan or interest amounts.

Reconciliation of liabilities arising from financing activities
The changes in the Company's liabilities arising from financing activities are classified as follows:

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Cash flows:		
- Proceeds	19,100.00	-
- Repayment	500.00	-
	18,600.00	-

	As at March 31, 2021	As at March 31, 2020
Note 22		
Lease Liabilities- current		
Lease Liabilities (Refer note 42)	-	64.06
	-	**64.06**

TranServ Limited
(formerly TranServ Private Limited)
Notes to the financial statements for the year ended March 31, 2021
(All amounts in lakhs unless otherwise stated)

Note 23
Trade payables

	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	-	2.42
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,473.43	836.13
	1,473.43	**838.55**

*Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") :

Particulars	As at March 31, 2021	As at March 31, 2020
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year;	-	2.42
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	-	-
iii. The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iv. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
v. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
vi. 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 enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

TranServ Limited
(formerly TranServ Private Limited)
Notes to the financial statements for the year ended March 31, 2021
(All amounts in lakhs unless otherwise stated)

Note 24
Other financial liabilities - current

	As at March 31, 2021	As at March 31, 2020
Amounts held on behalf of agents for remittance business	11.32	31.48
Amounts held on behalf of merchants from digital wallet business*	382.92	889.48
Amounts held on behalf of customers in digital wallets	4,223.26	2,942.49
Salary payable	0.17	6.38
Other financial liabilities	0.47	0.01
	4,618.14	**3,869.84**

* Includes Rs. 196.05 lakhs held with banks on behalf of merchants towards liabilities due to the respective wallet holders

Note 25
Others current liabilities

	As at March 31, 2021	As at March 31, 2020
Revenue received in advance/ Advances from customers (i)	46.00	8.32
Statutory dues payable	51.96	538.93
Expenses payable	327.89	38.86
	425.85	**586.11**

(i) Includes Revenue received in advance representing subscription fees income. Reconciliation of revenue received in advance is as follows:

	March 31, 2021	March 31, 2020
Balance at the beginning of the year	-	-
Add: Advance received during the year	223.30	-
Less: Revenue recognised during the year	181.06	-
Balance at the end of the year	42.24	-

Note 26
Provisions - current (Refer Note 41)

	As at March 31, 2021	As at March 31, 2020
Provision for gratuity	0.64	0.51
	0.64	**0.51**

TranServ Limited
(formerly TranServ Private Limited)
Notes to the financial statements for the year ended March 31, 2021
(All amounts in lakhs unless otherwise stated)

Note 17
Share capital

A. Equity Share Capital	**As at March 31, 2021**		**As at March 31, 2020**	
(i) Authorised:	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Equity shares of Rs.10 each	71,00,000	710.00	71,00,000	710.00
Class A equity shares of Rs.10 each	50	0.01	50	0.01
	71,00,050	**710.01**	**71,00,050**	**710.01**
(ii) Issued, subscribed and fully paid up:				
Equity shares of Rs.10 each	64,79,135	647.91	64,79,135	647.91
Class A Equity shares of Rs.10 each	48	0.01	48	0.01
	64,79,183	**647.92**	**64,79,183**	**647.92**

(iii) Reconciliation of the shares outstanding at the beginning and at the end of the financial year

	As at March 31, 2021		**As at March 31, 2020**	
	No. of shares	**Amount**	**No. of shares**	**Amount**
(a) Equity shares of Rs.10 each				
Balance at the beginning of the year	64,79,135	647.91	64,79,135	647.91
Add: Issued during the year	-	-	-	-
Balance at the end of the year	**64,79,135**	**647.91**	**64,79,135**	**647.91**
(b) Class A equity shares of Rs.10 each				
Balance at the beginning of the year #	48	0.01	48	0.01
Add: Issued during the year				-
Balance at the end of the year	**48**	**0.01**	**48**	**0.01**

The absolute value is Rs. 480 as at 31 March 2021 (31 March 2020: Rs. 480)

(iv) Changes in share capital

(a) Pursuant to the provisions of Sections 23, 42 and 62 of the Companies Act, 2013, Members of the Company at their extra-ordinary general meeting held on 19 March 2019, accorded their approval to issue and allot, by way of private placement, 3,02,217 equity shares of face value of Rs. 10 each, fully paid up, at a premium of Rs. 2.14 per share, for consideration received in cash .

(b) During the year ended March 31, 2019, Members of the Company approved the issue of equity shares through conversion of 51,742 Compulsory Convertible Debentures ('CCDs') into 875,024 equity shares, 38,992 class A, Compulsory Convertible Preference Shares ('CCPS') into 225,670 equity shares and 1,265,439 class B, CCPS into 1,265,439 equity shares, upon request from the respective holders and in terms of the instruments issued to such holders of CCDs and CCPS. CCDs and class A, CCPS have been converted after considering the impact of bonus issue made during the year ended 31 March 2016.

(iv) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2021		**As at March 31, 2020**	
	No. of shares	**% of holding**	**No. of shares**	**% of holding**
(a) Equity shares of Rs.10 each				
Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited)*	64,79,129	100.00%	27,21,235	42.00%
Pankaj Sharma	1	0.00%	-	0.00%
Sanjeev Kashyap	1	0.00%	-	0.00%
Ravinder Hawa Singh	1	0.00%	-	0.00%
Lalit Kumar Sharma	1	0.00%	-	0.00%
Akshay Kumar Tiwary	1	0.00%	-	0.00%
Matbeer Singh	1	0.00%	-	0.00%
Faering Capital India Evolving Fund	-	0.00%	14,970	0.23%
Anish E Williams	-	0.00%	21,85,316	33.73%
Sandeep Ghule	-	0.00%	8,54,492	13.19%
Aditya J Gupta - Director (upto April 1, 2019)	-	0.00%	3,85,041	5.94%
Nirvana Digital India Fund Co Ltd	-	0.00%	-	0.00%
Anand Kapadia	-	0.00%	1,69,736	2.62%
Amit Kumar Gupta	-	0.00%	1,48,345	2.29%

Note 17 (continued)

Share capital (continued)

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	**% of holding**	**No. of shares**	**% of holding**
(b) Class A Equity shares of Rs.10 each				
Anish E Williams	-	0.00%	26	54.17%
Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited)	48	100.00%	22	45.83%

* During the year, with effect from April 01, 2020, the Company become the 100% subsidiary company of Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) by virtue of control exercised by Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) over the Company and by acquiring the balance shareholding representing 58% of the paid up capital from the other shareholders, making the Company a wholly owned subsidiary of Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited).

(v) The company had allotted 21,21,632 fully paid up Equity Shares of face value of Rs. 10 each during year ended March 31, 2016 in the ratio of sixteen equity shares for every equity share held, pursuant to a bonus issue.

(vi) There are no shares issued pursuant to contract without payment being received in cash. The Company has not bought back shares during the last five years.

B. Terms, rights, preferences and restrictions attached to shares

i) The Company has two class of equity shares having a par value of 10 each - Class A shares and nominal equity shares. Each shareholder is eligible for one vote per nominal equity share held. Interim Dividend shall be declared by the Board. Final dividend shall be proposed by the Board of Directors and shall be subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of both classes of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii) 'Class A' equity shares have voting rights equal to the voting rights that would have been attached to the number of nominal equity shares.

B. Instruments entirely equity in nature

Authorised:	**As at 31 March 2021**		**As at 31 March 2020**	
Preference shares	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Class A 0.001% compulsorily convertible preference shares of Rs. 754 each	39,000	294.06	39,000	294.06
Class B 0.001% compulsorily convertible preference share of Rs. 50 each	12,65,439	632.72	12,65,439	632.72
Class B1 0.001% compulsorily convertible preference share of Rs. 50 each	6,57,563	328.78	6,57,563	328.78
	19,62,002	**1,255.56**	**19,62,002**	**1,255.56**

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note 17 (continued)
C. Employee stock option plans/ stock appreciation rights
Employee stock option schemes:

The employees of the Company have been granted option as per the existing schemes of Dhani Services Limited ('Ultimate Holding Company') Formerly known as Indiabulls Ventures Limited). On exercise, the employees will be allotted shares of the Ultimate Holding Company.

A. Grants during the year:

The Ultimate Holding Company has established the "Udaan Employee Welfare Trust" ("Udaan – EWT") (earlier known as Indiabulls Ventures Limited - Employees Welfare Trust" ("Trust") for the implementation and management of its employees benefit scheme viz. the "Dhani Services Limited - Employee Stock Benefit Scheme – 2019" (Scheme), for the benefit of the employees of its company and subsidiaries. Pursuant to Regulation 3(12) of the SEBI (Share Based Employee Benefits) Regulations, 2014, fully paid up equity shares of 10,400,000 lying in Trust have been appropriated towards the Scheme for grant of Share Appreciations Rights (SARs) to the employees of the Ultimate Holding Company and its subsidiaries as permitted by SEBI. The Ultimate Holding Company will treat these SARs as equity and therefore these will be treated as equity settled SARs and have been appropriately accounted for in these financial statements.

B. Employees Stock Options Schemes:

(i) Employees Stock Option Scheme - 2008 (DSL ESOP - 2008)

	DSL ESOP - 2008			
Total options under the scheme (Nos.)	**200,00,000**			
Options granted (Nos.)	**200,00,000**	**97,00,000 (Regrant)**	**5,00,000 (Regrant)**	**8,80,600 (Regrant)**
Vesting period and percentage	Ten years, 1st Year - 15% 2nd year to 9th year - 10% each year 10th year - 5%	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	25th January each year, commencing 25 January 2010	2nd July each year, commencing 2 July 2017	2nd September each year, commencing 2 September 2018	25th March each year, commencing 25 March 2019
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	17.40	24.15	219.65	254.85
Outstanding at the beginning of 1 April 2019 (Nos.)	**8,70,916**	**97,00,000**	**5,00,000**	**6,93,600**
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	10,000	5,00,000	1,52,000
Exercised during the year (Nos.)	8,70,916	50,50,800	-	25,800
Expired during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2020 (Nos.)	**-**	**46,39,200**	**-**	**5,15,800**
Vested and exercisable as at 31 March 2020 (Nos.)	-	7,69,200	-	1,92,640
Remaining contractual life (weighted months)	-	66	-	73
Outstanding at the beginning of 1 April 2020 (Nos.)	-	46,39,200	-	5,15,800
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)		14,400		4,29,000
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2021 (Nos.)	**-**	**46,39,200**	**-**	**5,15,800**
Vested and exercisable as at 31 March 2021 (Nos.)	-	26,97,000	-	-
Remaining contractual life (weighted months)	-	54	-	73

Weighted average exercise price of share during the year ended 31 March 2021: Nil (31 March 2020: Nil).

Note 17 (continued)
Employee Stock Option Schemes *(continued)*

(ii) Employees Stock Option Scheme - 2009 (DSL - ESOP 2009)

	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009
Total options under the Scheme (Nos.)	200,00,000	200,00,000	200,00,000	200,00,000
Options granted (Nos.)	20,50,000	95,00,000 (Regrant)	100,00,000 (Regrant)	6,69,400 (Regrant)
Vesting period and percentage	Ten years, 10% each year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	13th April each year, commencing 13 April 2011	13th May each year, commencing 13 May 2017	2nd September each year, commencing 2 September 2018	25th March each year, commencing 25 March 2019
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	31.35	16.00	219.65	254.85
Outstanding at the beginning of 1 April 2019 (Nos.)	**1,50,000**	**64,87,700**	**98,80,000**	**2,19,400**
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	1,65,000	1,95,500	-
Exercised during the year (Nos.)	1,00,000	32,25,100	8,52,600	40,000
Expired during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2020 (Nos.)	**50,000**	**30,97,600**	**88,31,900**	**1,79,400**
Vested and exercisable as at 31 March 2020 (Nos.)	50,000	-	30,34,400	47,760
Remaining contractual life (Weighted Months)	60	67	67	77
Outstanding at the beginning of 1 April 2020 (Nos.)	**50,000**	**30,97,600**	**88,31,900**	**1,79,400**
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	5,72,000	61,46,300	1,79,400
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2021 (Nos.)	50,000	25,25,600	26,85,600	-
Vested and exercisable as at 31 March 2021 (Nos.)	50,000	12,62,800	-	-
Remaining contractual life (Weighted Months)	48	55	71	-

Weighted average exercise price of share during the year ended 31 March 2021: Nil (31 March 2020: Nil)

(iii) Dhani Services Limited - Employee Stock Benefit Scheme 2019 (“Scheme”) ("DSL-ESBS 2019").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Ultimate Holding Company at its meeting held on 22 October 2019; and (b) a special resolution of the shareholders’ of the Ultimate Holding Company passed through postal ballot on 4 December 2019, result of which were declared on 5 December 2019.

This Scheme comprises:
a. Dhani Services Limited Employees Stock Option Plan 2019 (“ESOP Plan 2019”)
b. Dhani Services Limited Employees Stock Purchase Plan 2019 (“ESP Plan 2019”)
c. Dhani Services Limited Stock Appreciation Rights Plan 2019 (“SARs Plan 2019”)

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the “SBEB Regulations”), the Ultimate Holding Company has set up "Udaan - Employee Welfare Trust" ("Trust") for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the “SBEB Regulations”, is authorised to purchase upto an aggregate of 10,500,000 (One Crore Five lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Ultimate Holding Company as on the date of approval of shareholders, from the secondary market. The Ultimate Holding Company has appropriated its 10,400,000 fully paid up equity shares purchased by the Trust under the Scheme.

Note 17 (continued)
Employee Stock Option Schemes *(continued)*

	DSL-ESBS 2019
Total options under the Scheme (Nos.)	105,00,000
Options granted (Nos.)	104,00,000
Vesting period and percentage	Three years, 33.33% each year
Vesting date	17th August each year, commencing 17 August 2021
Exercisable period	5 years from each vesting date
Exercise price (₹)	250.00
Outstanding at the beginning of 1 April 2020 (Nos.)	**-**
Granted during the year (Nos.)	104,00,000
Forfeited during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Outstanding as at 31 March 2021 (Nos.)	**104,00,000**
Vested and exercisable as at 31 March 2021 (Nos.)	-
Remaining contractual life (Weighted Months)	77

(iv) Dhani Services Limited - Employee Stock Benefit Scheme 2020 (“Scheme”) ("DSL-ESBS 2020").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Ultimate Holding Company at its meeting held on 23 January 2020; and (b) a special resolution of the shareholders’ of the Ultimate Holding Company passed through postal ballot on 20 March 2020, result of which were declared on 21 March 2020.

This Scheme comprises:
a. Dhani Services Limited Employees Stock Option Plan 2020 (“ESOP Plan 2020”)
b. Dhani Services Limited Employees Stock Purchase Plan 2020 (“ESP Plan 2020”)
c. Dhani Services Limited Stock Appreciation Rights Plan 2020 (“SARs Plan 2020”)

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the “SBEB Regulations”), the Ultimate Holding Company has set up "Udaan - Employees Welfare Trust" (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the “SBEB Regulations”, is authorised to purchase upto an aggregate of 9,300,000 (Ninety Three lakh) fully paid-up equity shares, being not more than 2% (Two percent) of its fully paid-up equity share capital as on the date of approval of shareholders, from the secondary market. The Ultimate Holding Company has not granted any options/ SARs under the said scheme as at 31 March 2021.

C. Fair Valuation:
The details of the Fair value of the options / SARs as determined by an Independent firm of Chartered Accountants, for the respective plans using the Black-Scholes Merton Option Pricing Model:-

	DSL ESOP - 2008			
	200,00,000	**97,00,000**	**5,00,000**	**8,80,600**
	Options	**Options Regranted**	**Options Regranted**	**Options Regranted**
1. Exercise price (₹)	17.40	24.15	219.65	254.85
2. Expected volatility *	79.00%	42.97%	46.70%	47.15%
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil
4. Option Life (Weighted Average) (in years)	11	6	6	6
5. Expected Dividends yield	22.99%	10.82%	1.27%	1.10%
6. Risk Free Interest rate	6.50%	7.45%	6.54%	7.56%
7. Fair value of the options (₹)	0.84	4.31	106.31	130.05

Note 17 (continued)
C. Employee Stock Option Schemes *(continued)*

	DSL-ESBS 2019	DSL ESOP – 2009			
	104,00,000 SARs	**20,50,000 Options**	**95,00,000 Options Regranted**	**100,00,000 Options Regranted**	**6,69,400 Options Regranted**
1. Exercise price (₹)	250.00	31.35	16.00	219.65	254.85
2. Expected volatility *	68.45%	48.96%	40.74%	46.70%	47.15%
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil
4. Option Life (Weighted Average) (in years)	4 Years	10 Years	6 Years	6 Years	6 Years
5. Expected dividends yield	1.71%	6.86%	16.33%	1.27%	1.10%
6. Risk free interest rate	4.17%	8.05%	7.45%	6.54%	7.56%
7. Fair value of the options (₹)	55.49	9.39	1.38	106.31	130.05

* The expected volatility was determined based on historical volatility data.

D. Share based payment expense:

The Company has recognised Share based payments expense to employees of ₹ 417.12 lakh (31 March 2020: N.A) in the Statement of Profit and loss for the year ended 31 March 2021.

(All amounts in lakhs unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Note 27		
Revenue from operations		
(Refer Note 47)		
Digital wallet program	6,808.56	6,172.33
Remittance program	30.60	119.04
Merchant program	-	9.94
Sale of devices	0.05	-
	6,839.21	**6,301.31**

	For the year ended March 31, 2021	For the year ended March 31, 2020
Note 28		
Other income		
Interest income on:		
- fixed deposits with banks	57.41	17.32
- Income tax refund	6.77	7.74
Gain on derecognition of leases	14.37	-
Unwinding of Interest Income	0.58	1.29
Profit on sale of property, plant and equipment	-	1.00
Liabilities written back	0.04	4.35
Miscellaneous income	0.01	0.04
	79.18	**31.74**

	For the year ended March 31, 2021	For the year ended March 31, 2020
Note 29		
Changes in inventories		
Cost of inventories sold/written off during the year	8.62	305.24
	8.62	**305.24**

	For the year ended March 31, 2021	For the year ended March 31, 2020
Note 30		
Employee benefit expenses		
Salaries and wages	269.94	245.52
Contributions to provident and other funds	5.28	5.04
Provision for gratuity (Refer Note 41)	5.42	5.98
Provision for Compensated Absences (Refer Note 41)	6.43	-
Share based payments/ stock appreciation rights	417.12	-
Staff welfare expenses	1.12	1.97
	705.31	**258.51**

TranServ Limited
(formerly TranServ Private Limited)
Notes to the financial statements for the year ended March 31, 2021
(All amounts in lakhs unless otherwise stated)

Note 31
Finance costs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on Lease liabilities (Refer Note 42)	5.83	21.41
Interest on loans	186.63	-
Interest on taxes	0.18	0.47
	192.64	**21.88**

Note 32
Depreciation and amortisation expense

	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment	0.44	1.31
Amortization of right of use assets	12.99	43.53
Amortization of intangible assets	143.27	254.93
	156.70	**299.77**

Note 33
Other expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent (Refer 42)	0.65	6.73
Legal, professional and technical services	214.56	132.37
Rates and taxes	0.20	1.18
Auditor's remuneration*	6.00	6.00
Office Maintenance	0.67	2.35
Advertisement & Business Promotion Expenses	221.07	6.23
Balances Written off	-	0.95
Digital wallet expenses	5,258.34	2,664.88
Remittance program expenses	34.68	58.82
Merchant program expenses	-	1.78
Power and fuel	0.33	3.34
Bank Charges	1.09	0.26
Credit card charges	0.61	0.78
Printing and Stationery	0.42	2.73
Impairment loss on intangible assets	27.55	13.81
Repair and Maintenance	2.40	4.23
Travelling and Conveyance	0.43	0.93
Insurance	0.28	1.50
Communication Cost	7.36	32.19
Corporate Social Responsibility (Refer Note 46)	4.19	-
Bad debts	0.14	0.82
Miscellaneous expenses	-	1.20
	5,780.97	**2,943.08**
***Remuneration to auditors comprises of:**		
Statutory audit fees	4.50	4.50
Tax audit fees	1.50	1.50
	6.00	**6.00**

TranServ Limited
(formerly TranServ Private Limited)
Notes to the financial statements for the year ended March 31, 2021
(All amounts in lakhs unless otherwise stated)

Note 34
Income tax

Tax expense comprises of:	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Current tax	(0.09)	1.00
Deferred tax	(95.42)	(290.75)
Income tax expense reported in the statement of pro	**(95.51)**	**(289.75)**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.168% (31 March 2020: 25.168%) and the reported tax expense in statement of profit or loss are as follows:

	For the year ended March 31, 2021	**For the year ended March 31, 2020**
Accounting profit before tax expense	**74.38**	**2,504.72**
Income tax rate	25.168%	25.168%
Expected tax expense	18.72	630.39
Tax		
Tax impact of :		
Effect of non-deductible expenses	115.45	(18.28)
Tax effect of income not taxable	(134.17)	(612.11)
Deferred tax effect of temporary differences	(95.42)	(290.75)
Earlier years tax adjustment	(0.09)	1.00
Income tax expense	**(95.51)**	**(289.75)**

*** Expiry financial year (as per Income tax Act, 1961**	**As at 31 March 2021**	**As at 31 March 2020**
Unused tax losses		
1 April 2023 - 31 March 2024	-	49.83
1 April 2024 - 31 March 2025	1,920.36	2,490.31
1 April 2025 - 31 March 2026	1,206.88	1,487.97
1 April 2026 - 31 March 2027	58.15	172.25
Unabsorbed depreciation for indefinite period	1,011.60	1,075.78
	4,196.99	**5,276.14**

In the opinion of the management, in terms of the applicable provisions of the Income Tax Act, 1961, the Company will be eligible to carry forward and set off the above losses, notwithstanding the above change in the status of the Company from a private limited to a public limited company and change in the shareholding pattern of the Company with effect from April 1, 2020. The Company has not recognized any deferred tax assets on the above tax losses for the year ended March 31, 2021.

Note 35	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Earnings per equity share		
IX. Profit (Loss) for the year from continuing operations (VII - VIII)	**169.89**	**2,794.47**
Weighted average number of equity shares for basic earnings per share	64,79,183	64,79,183
Weighted average number of equity shares for diluted earnings per share	64,79,183	64,79,183
Face value per equity share (Rs.)	10	10
Basic earnings per share (Rs.)	2.62	43.13
Diluted earnings per share (Rs)	2.62	43.13

TranServ Limited
(formerly TranServ Private Limited)
Notes to the financial statements for the year ended 31 March 2021
(All amounts in lakhs unless otherwise stated)

Note 36
Financial instruments by category
For amortised cost instruments, carrying value represents the best estimate of fair value.

Particulars	**Note**	**As at March 31, 2021**	**As at March 31, 2020**
Financial assets measured at amortised cost			
Trade receivables	11	902.63	103.96
Loans	6 and 14	24.24	18.27
Cash and cash equivalents	12	900.01	2,021.24
Other bank balances	13	10,329.00	4,413.39
Other financial assets	7 and 15	1,124.56	294.72
Total		**13,280.44**	**6,851.58**
Financial liabilities measured at amortised cost			
Borrowings	21	18,600.00	-
Lease liabilities*	19 and 22	-	228.78
Trade payables	23	1,473.43	838.55
Other financial liabilities	24	4,618.14	3,869.84
Total		**24,691.57**	**4,937.17**

** Lease liabilities recognized upon implementation of Ind AS 116*

Particulars	**31 March 2021**		**31 March 2020**	
	FVTPL	**Amortised cost**	**FVTPL**	**Amortised cost**
Financial assets				
Trade receivables	-	902.63	-	103.96
Loans	-	24.24	-	18.27
Cash and cash equivalents	-	900.01	-	2,021.24
Other bank balances	-	10,329.00	-	4,413.39
Other financial assets	-	1,124.56	-	294.72
Total financial assets	**-**	**13,280.44**	**-**	**6,851.58**
Financial liabilities				
Borrowings	-	18,600.00	-	-
Lease liabilities	-	-	-	228.78
Trade payables	-	1,473.43	-	838.55
Other financial liabilities	-	4,618.14	-	3,869.84
Total financial liabilities	**-**	**24,691.57**	**-**	**4,937.17**

(i) Fair values hierarchy
As per Ind AS 107, 'Financial Instruments: Disclosures', the fair values of the financial assets or financial liabilities are defined as the price that would be received on sale of asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active markets.
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs).

The Company did not have any financial assets measured at fair value on a recurring basis at March 31, 2021 and March 31, 2020.

(ii) Fair value of instruments measured at amortised cost
Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	**March 31, 2021**		**March 31, 2020**	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Financial assets				
Trade receivables	902.63	902.63	103.96	103.96
Loans	24.24	24.24	18.27	18.27
Cash and cash equivalents	900.01	900.01	2,021.24	2,021.24
Other bank balances	10,329.00	10,329.00	4,413.39	4,413.39
Other financial assets	1,124.56	1,124.56	294.72	294.72
Total financial assets	**13,280.44**	**13,280.44**	**6,851.58**	**6,851.58**
Financial liabilities				
Borrowings	18,600.00	18,600.00	-	-
Lease liabilities	-	-	228.78	228.78
Trade payables	1,473.43	1,473.43	838.55	838.55
Other financial liabilities	4,618.14	4,618.14	3,869.84	3,869.84
Total financial liabilities	**24,691.57**	**24,691.57**	**4,937.17**	**4,937.17**

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables, loans, trade payables and other current financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments.

TranServ Limited
(formerly TranServ Private Limited)
Notes to the financial statements for the year ended 31 March 2021
(All amounts in lakhs unless otherwise stated)
Note 37
Financial risk management

i) Risk Management
The Company’s activities expose it to market risk, credit risk and liquidity risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements. The Company’s risk management is carried out as per the policies approved by the Board of Directors.

The Board of Directors provides written principles for overall risk management to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities.

a) Market risk
Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that may affect market risk sensitive instruments. The Company uses a wide variety of qualitative and quantitative tools such as net income sensitivities, stress tests etc. to manage and monitor various types of market risks.

b) Credit risk
Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the company. The Company's exposure to credit risk arises mainly from Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks with high credit ratings assigned by rating agencies.The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk management

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade and other receivables and financial assets measured at amortised cost. Exposure to credit risk is mitigated through regular monitoring of collections, counterparty’s creditworthiness and diversification in exposure.

Financial assets that expose the entity to credit risk*: The carrying amount of financial assets represents maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of cash and cash equivalent, trade and other receivables and financial assets measured at amortised cost.

Particulars	March 31, 2021	March 31, 2020
Low credit risk		
Cash and cash equivalents	900.01	2,021.24
Loans	24.24	18.27
Other bank balances	10,329.00	4,413.39
Trade receivables	902.63	103.96
Other financial assets	1,124.56	294.72
Moderate credit risk		
	-	-
High credit risk		
	-	-

* These represent maximum exposure to credit risk in terms of gross carrying values of financial assets, without deduction for expected credit losses

Expected Credit Loss (ECL) on Financial Assets
The Company continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument is subject to 12 month ECL (12mECL) or life time ECL (LTECL), the Company assesses whether there has been a significant increase in credit risk or the asset has become credit impaired since initial recognition. The Company applies following quantitative and qualitative criteria to assess whether there is significant increase in credit risk or the asset has been credit impaired:

- Historical trend of collection from counterparty
- Company’s contractual rights with respect to recovery of dues from counterparty
- Credit rating of counterparty and any relevant information available in public domain

Trade and other receivables:
Exposures to customers’ outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. As the Company has a contractual right to such receivables as well as the control over such funds due from customers, the Company does not estimate any credit risk in relation to such receivables. Further, management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour.

Cash and cash equivalents and bank deposits
The credit worthiness of such banks and financial institutions with whom cash and cash equivalents, bank deposits and other bank balances are held is evaluated by the management on an ongoing basis and is considered to be high.

Loans
Loans measured at amortized cost include security deposits for business purposes. Credit risk related to these financial assets is managed by monitoring the recoverability of such amounts continuously.

Other financial assets
Other financial assets measured at amortized cost includes interest receivable . Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

TranServ Limited
(formerly TranServ Private Limited)
Notes to the financial statements for the year ended 31 March 2021
(All amounts in lakhs unless otherwise stated)
Note 37
Financial risk management (continued.)

ii) Concentration of financial assets
The Company carries on the business of providing technical services like online payment gateway, data processing, banking transaction solutions, development of specialized system software and application software, smart card based solutions to customers in India . The Company's outstanding receivables are on account of providing aforesaid technical services. Loans and other financial assets primarily consist of advances towards digital wallet business and security deposits given.

iii) Provision for expected credit losses
The Company provides for 12 month expected credit losses for following financial assets –
As at 31 March 2021

Particulars	Estimated gross carrying amount at risk of default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	902.63	-	902.63
Cash and cash equivalents	900.01	-	900.01
Other bank balances	10,329.00	-	10,329.00
Loans	24.24	-	24.24
Other financial assets	1,124.56	-	1,124.56

As at 31 March 2020

Particulars	Estimated gross carrying amount at risk of default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	103.96	-	103.96
Cash and cash equivalents	2,021.24	-	2,021.24
Other bank balances	4,413.39	-	4,413.39
Loans	18.27	-	18.27
Other financial assets	294.72	-	294.72

iv) Expected credit loss for trade receivables under simplified approach
As at 31 March 2021

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
Not Past due			
0 - 90 Days	902.63	-	902.63
90 - 180 Days	-	-	-
180 - 270 Days	-	-	-
More than 270 Days	-	-	-

As at 31 March 2020

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
Not Past due	77.27	-	77.27
0 - 90 Days	18.24	-	18.24
90 - 180 Days	4.63	-	4.63
180 - 270 Days	3.83	-	3.83
More than 270 Days	-	-	-

c) Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations, as and when they fall due, 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. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities, if any) and cash and cash equivalents on the basis of expected cash flows.

The Company maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Company assesses the liquidity position under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities, if any) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

Maturities of financial assets and liabilities
The tables below analyze the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

31 March 2021	Less than 1 year	1-3 years	More than 3 years	Total
Non-derivatives				
Trade receivables	902.63	-	-	902.63
Cash and cash equivalents	900.01	-	-	900.01
Other bank balances	10,329.00	-	-	10,329.00
Loans	14.74	8.75	0.75	24.24
Other financial assets	1,124.56	-	-	1,124.56
Total undiscounted financial assets	**13,270.94**	**8.75**	**0.75**	**13,280.44**
Net undiscounted financial assets	**13,270.94**	**8.75**	**0.75**	**13,280.44**

(All amounts in lakhs unless otherwise stated)

Note 37
Financial risk management (continued.)

31 March 2020	**Less than 1 year**	**1-3 years**	**More than 3 years**	**Total**
Non-derivatives				
Trade receivables	103.96	-	-	103.96
Cash and cash equivalents	2,021.24	-	-	2,021.24
Other bank balances	4,413.39	-	-	4,413.39
Loans	0.50	17.77	-	18.27
Other financial assets	289.72	5.00	-	294.72
Total undiscounted financial assets	**6,828.81**	**22.77**	**-**	**6,851.58**
Net undiscounted financial assets	**6,828.81**	**22.77**	**-**	**6,851.58**

31 March 2021	**Less than 1 year**	**1-3 years**	**More than 3 years**	**Total**
Non-derivatives				
Borrowings	18,600.00	-	-	18,600.00
Lease liabilities	-	-	-	-
Trade payables	1,473.43	-	-	1,473.43
Other financial liabilities	4,618.14	-	-	4,618.14
Total undiscounted financial liabilities	**24,691.57**	**-**	**-**	**24,691.57**
Net undiscounted financial liabilities	**24,691.57**	**-**	**-**	**24,691.57**

31 March 2020	**Less than 1 year**	**1-3 years**	**More than 3 years**	**Total**
Non-derivatives				
Borrowings	-	-	-	-
Lease liabilities	64.06	152.71	12.01	228.78
Trade payables	838.55	-	-	838.55
Other financial liabilities	3,869.84	-	-	3,869.84
Total undiscounted financial liabilities	4,772.45	152.71	12.01	**4,937.17**
Net undiscounted financial liabilities	**4,772.45**	**152.71**	**12.01**	**4,937.17**

Note 38
Capital management
(a) Risk management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company' s capital management objectives are
- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.
The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The funding requirements are met through operating cash flows and other equity. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Particulars	**31 March 2021**	**31 March 2020**
Total borrowings	**18,600.00**	**-**
Debt	18,600.00	-
Total equity	4,211.55	3,631.45
Total capital	**4,211.55**	**3,631.45**
Debt to equity ratio	**4.42**	**-**

TranServ Limited
(formerly TranServ Private Limited)
Notes to the financial statements for the year ended 31 March 2021
(All amounts in lakhs unless otherwise stated)

Note 39
Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	As at 31 March 2021		As at 31 March 2020	
	Within 12 months	After 12 months	Within 12 months	After 12 months
I. Assets				
Non-current assets				
Property, plant and equipment	-	7.57	-	8.01
Right of use assets	-	-	-	217.22
Intangible assets	-	132.15	-	302.97
Financial assets				
Loans	-	9.50	-	17.77
Other Financial Assets	-	10.00	-	5.00
Income Tax Assets (Net)	-	40.50	-	92.25
Deferred tax assets	-	380.95	-	283.21
Other non-current assets	-	12,176.19	-	982.72
Total non-current assets	**-**	**12,756.86**	**-**	**1,909.15**
Current assets				
Inventories	-	-	8.62	-
Financial assets				
Trade receivables	902.63	-	103.96	-
Cash and cash equivalents	900.01	-	2,021.24	-
Other bank balances	10,329.00	-	4,413.39	-
Loans	14.74	-	0.50	-
Other financial assets	1,114.56	-	289.72	-
Other current assets	3,350.23	-	426.13	-
Total current assets	**16,611.17**	**-**	**7,263.56**	**-**
Total assets (I)	**16,611.17**	**12,756.86**	**7,263.56**	**1,909.15**
II. Liabilities				
Non-current liabilities				
Financial Liabilities				
Lease liabilities	-	-	-	164.72
Provisions	-	38.42	-	17.47
Total non-current liabilities	**-**	**38.42**	**-**	**182.19**
Current liabilities				
Financial liabilities				
Borrowings	18,600.00	-	-	-
Lease liabilities	-	-	64.06	-
Trade payables				
-Total outstanding dues of micro enterprises and small enterprises	-	-	2.42	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	1,473.43	-	836.13	-
Other financial liabilities	4,618.14	-	3,869.84	-
Other current liabilities	425.85	-	586.11	-
Provisions	0.64	-	0.51	-
Total current liabilities	**25,118.06**	**-**	**5,359.07**	**-**
Total liabilities (II)	**25,118.06**	**38.42**	**5,359.07**	**182.19**
Net (I - II)	**(8,506.89)**	**12,718.44**	**1,904.49**	**1,726.96**

TranServ Limited
(formerly TranServ Private Limited)
Notes to the financial statements for the year ended 31 March 2021
(All amounts in lakhs unless otherwise stated)

Note 40 Related party disclosures

List of related parties and relationships

a) Related parties where control exists

i) Ultimate Holding Company
Dhani Services Limited (formerly Indiabulls Ventures Limited)

ii) Holding Company
Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) (with effect from April 1, 2019)

iii Entities under Common Control
Dhani Healthcare Limited
Dhani Stocks Limited

iv Key Management Personnel
Anish Williams, Director

(b) Transactions with related parties carried out in the ordinary course of business:

S. No	Particulars	Year ended	Key Management Personnel	Holding Company	Entities under common control	Total
1	Managerial remuneration	31 March 2021	489.12	-	-	489.12
		31 March 2020	*109.36*	-	-	*109.36*
2	Reimbursement of Expenses paid/(received)	31 March 2021	0.23	-	19.63	19.86
		31 March 2020	-	*139.84*	-	*139.84*
3	Customer Acquisition costs	31 March 2021	-	4,484.03	-	4,484.03
		31 March 2020	-	-	-	-
4	Cost of cards	31 March 2021	-	299.94	-	299.94
		31 March 2020	-	-	-	-
5	Income from Beneficiary Validation Services	31 March 2021	-	27.28	3.32	30.60
		31 March 2020	-	*39.41*	-	*39.41*
6	Service fees	31 March 2021	-	10.17	-	10.17
		31 March 2020	-	*1.83*	-	*1.83*
7	Income from Digital wallet program	31 March 2021	-	-	-	-
		31 March 2020	-	*50.23*	-	*50.23*
8	Interest Expense	31 March 2021	-	5.21	181.42	186.63
		31 March 2020	-	-	-	-
9	Unsecured Inter Corporate Deposits (Maximum balance outstanding during the year)	31 March 2021	-	500.00	18,600.00	19,100.00
		31 March 2020	-	-	-	-

The remuneration of Key Managerial Personnel included in various schedules to the Statement of Profit and Loss is as under:

Particulars	March 31, 2021	March 31, 2020
Short Term Employee Benefit Expense	108.13	105.05
Post employment benefits - Gratuity	7.49	4.32
Other long term employee benefits - compensated absences	3.22	-
Share Based Expenses	370.28	-
Total	**489.12**	**109.36**

Remuneration paid to a director for the year ended March 31, 2021 in excess of the limits specified under Section 197 and 198 of the Companies Act, 2013 has been approved by the members of the Company in their extra-ordinary general meeting held on June 17, 2021.

(c) Outstanding balances at year end:

S.No	Particulars	As at	Ultimate Holding Company	Holding Company	Entities under common control	Total
1	Trade payables	31 March 2021	-	-	-	-
		31 March 2020	-	*251.98*	-	*251.98*
2	Trade receivables	31 March 2021	-	539.49		539.49
		31 March 2020	-	*0.12*	-	*0.12*
3	Other financial liabilities	31 March 2021	-	321.34	-	321.34
		31 March 2020	*11.58*	*920.84*	*129.77*	*1,062.19*
4	Unsecured Inter Corporate Deposits	31 March 2021	-		18,600.00	18,600.00
		31 March 2020	-	-	-	-
5	Other Financial Assets	31 March 2021	-	131.63		131.63
		31 March 2020	-	-	-	-
6	Other receivables	31 March 2021	-		15.66	15.66
		31 March 2020	-	-	-	-

In accordance with Ind AS 24, disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed. Related Party relationships are given above are as identified by the Company and relied upon by the Auditors. All Related Party Transactions entered during the year were in ordinary course of the business and are on arm’s length basis.

(All amounts in lakhs unless otherwise stated)

Note 41
Employee benefits

Provident fund

The Company pays fixed contribution to provident fund at predetermined rates to a registered provident fund administered by the Government of India, which invests the funds in permitted securities. Both the Company and employees make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. During the year, the Company has recognized the following amounts in the Statement of Profit and Loss in respect of defined contribution plans and included in "Employee benefits expense".

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Employer's Contribution made to:		
(i) employees' provident fund organisation	5.14	4.87
(ii) employees' state insurance corporation	0.13	0.15
(iii) labour welfare fund	0.01	0.02
Total	5.28	5.04

Gratuity

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognized on the basis of actuarial valuation. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and not reclassified to profit or loss in subsequent periods.

Risks

Salary Increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount Rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

i) Amounts recognised in the balance sheet:

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Present value of the obligation	32.63	17.98
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	32.63	17.98
Current liability (amount due within one year)	**0.64**	**0.51**
Non-current liability (amount due over one year)	**31.99**	**17.47**

ii) Gain recognised in other comprehensive income:

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Actuarial (gain)/loss net on account of:		
-Changes in demographic assumptions	-	(1.27)
-Changes in financial assumptions	(0.07)	(3.58)
-Changes in experience adjustment	9.29	(25.11)
Gain recognised in other comprehensive income	**9.23**	**(29.96)**

iii) Expenses recognised in statement of profit and loss

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Current service cost	4.16	2.74
Past service cost	-	-
Interest cost	1.27	3.24
Expense recognised during the year	**5.42**	**5.98**

iv) Movement in the liability recognised in the balance sheet is as under:

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Present value of defined benefit obligation at the beginning of the year	17.98	41.96
Current service cost	4.16	2.74
Past service cost	-	-
Interest cost	1.27	3.24
Actuarial gains	9.23	(29.96)
Benefits paid	-	-
Present value of defined benefit obligation at the end of the year	**32.63**	**17.98**

Note 41

Employee benefits (continued)

v) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Discount rate	6.79%	6.80%
Salary escalation rate	5.00%	5.00%
Retirement Age (Years)	60.00	60.00
Withdrawal rate	1.0% to 3.0%	2.0% - 10.0%
Weighted average duration of PBO	20.40	24.00

Mortality rates inclusive of provision for disability -100% of IALM (2012 – 14) [Previous year 100% of IALM (2006 – 08)]

v (b) Maturity profile of defined benefit obligation:

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
0 to 1 year	0.64	0.51
1 to 2 year	0.51	0.53
2 to 3 year	0.51	0.53
3 to 4 year	0.54	0.56
4 to 5 year	0.55	0.58
5 to 6 year	0.55	0.59
6 year onwards	29.33	2.54

vi) Sensitivity analysis for gratuity liability:

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	32.63	17.98
Impact due to increase of 1 %	(2.29)	(2.43)
Impact due to decrease of 1 %	2.54	2.99
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	32.63	17.98
Impact due to increase of 1 %	2.57	1.58
Impact due to decrease of 1 %	(2.34)	(2.00)

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated
Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement

The employer's best estimate of contributions expected to be paid during the annual period beginning after the Balance Sheet date, towards Gratuity is Rs. 8.52 lakhs (Previous year Rs. 8.99 lakhs).

Other long-term employee benefits

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a longterm employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. A provision of Rs. 6.43 lakhs (previous year Rs. Nil) for the year have been made on the basis of actuarial valuation at the year end and debited to the statement of profit and loss.

i) Amounts recognised in the balance sheet:

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Present value of the obligation	6.43	-
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	6.43	-
Current liability (amount due within one year)		**-**
Non-current liability (amount due over one year)	**6.43**	**-**

ii) Gain recognised in other comprehensive income:

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Actuarial (gain)/loss net on account of:		
-Changes in demographic assumptions	-	-
-Changes in financial assumptions	-	-
-Changes in experience adjustment	-	-
Gain recognised in other comprehensive income	**-**	**-**

iii) Expenses recognised in statement of profit and loss

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Current service cost	6.43	-
Past service cost	-	-
Interest cost	-	-
Expense recognised during the year	**6.43**	**-**

iv) Movement in the liability recognised in the balance sheet is as under:

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Present value of defined benefit obligation at the beginning of the year	-	-
Current service cost	0.69	-
Past service cost	5.74	-
Interest cost	-	-
Actuarial gains	-	-
Benefits paid	-	
Present value of defined benefit obligation at the end of the year	**6.43**	**-**

TranServ Limited
(formerly TranServ Private Limited)
Notes to the financial statements for the year ended 31 March 2021
(All amounts in lakhs unless otherwise stated)

v) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.79%	-
Salary escalation rate	5.00%	-
Retirement Age (Years)	60.00	-
Ages (Withdrawal rate)		
Up to 30 years	3.00%	-
From 31 to 44 years	2.00%	-
Above 44 years	1.00%	-
Leave (Withdrawal rate)		
Leave availment rate	5.00%	-
Leave lapse rate while in service	Nil	-
Leave lapse rate on exit	Nil	-
Leave encashment while in service	Nil	-

It should be noted that in case of employees above retirement age, for the purpose of valuation it is assumed they will retire immediately & benefit is considered up to actual retirement age.

Mortality & Morbidity rates - 100% of IALM (2012-14) rates have been assumed which also includes the allowance for disability benefits.

v) (b) Maturity profile of defined benefit obligation:

Particulars	As at March 31, 2021	As at March 31, 2020
0 to 1 year	0.14	-
1 to 2 year	0.11	-
2 to 3 year	0.11	-
3 to 4 year	0.11	-
4 to 5 year	0.11	-
5 to 6 year	0.11	-
6 year onwards	5.75	-

vi) Sensitivity analysis of the defined benefit obligation

Particulars	As at March 31, 2021	As at March 31, 2020
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	6.43	-
Impact due to increase of 0.50 %	(0.46)	-
Impact due to decrease of 0.50 %	0.49	-
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	6.43	-
Impact due to increase of 1 %	0.51	-
Impact due to decrease of 1 %	0.46	-

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.
Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.
The employer's best estimate of contributions expected to be paid during the annual period beginning after the Balance Sheet date, towards Compensated absences is Rs. 2.06 lakhs (Previous year Nil).

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

Note 42
Leases
Effective 1 April 2019, the Company adopted Ind AS 116 "Leases", applied to all contracts having lease components existing on 1 April 2019 using the modified retrospective method. Accordingly, the Company has not restated comparative information. The Company has measured the lease liability at present value of remaining lease payments discounted using the incremental borrowing rate as the date of initial application and Right of Use asset is measured at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. On date of initial application, the adoption of new standard resulted in recognition of right of use Rs. 260.75 lakh and a lease liability of Rs. 260.75 lakh. The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 Leases, were earlier reported under cash flow from operating activities. The discount rate of 10.50% has been applied to lease liabilities recognised in the balance sheet at the date of initial application. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.
The following is the summary of practical expedients elected on initial application:
(i) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
(ii) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
(iii) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
(iv) Applied the practical expedient to grandfather the assessment of which transactions are leases.
Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 10.50%

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021 & March 31, 2020:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Balance	217.22	-
Additions on account of adoption of Ind AS 116	-	260.75
Deletion/Modification during the year	204.23	-
Depreciation*	12.99	43.53
Closing Balance	**-**	**217.22**

*The aggregate depreciation expense on right of use assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

Note 42

Leases - continued

The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020:

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Opening Balance	228.78	-
Additions during the year	-	260.75
Finance cost accrued during the year	5.83	21.41
Deletion/Modification during the year	(218.60)	-
Payment of lease liabilities	(16.02)	(53.38)
Closing Balance	**-**	**228.78**
Of the above:		
Current portion of lease liabilities	**-**	**64.06**
Non-Current portion of lease liabilities	**-**	**164.72**

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

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Less than one year	-	64.06
One to five years	-	219.93
More than five years	-	-
Total	**-**	**283.99**

Rental expense for short-term leases recognized in the Statement of Profit and Loss for the year ended March 31, 2021 is Rs. 0.65 Lakhs (Previous year Rs 5.52 lakhs)

Note 43

There are no contingent liabilities and capital commitments as at March 31, 2021 (Previous year : Nil)

Note 44

Operating segments

The Company operates in a single reportable segment i.e. "technical services", which has similar risks and returns for the purpose of Ind AS 108 "Operating segments", is considered to be the only reportable business segment. The Company derives its major revenues from providing services such as online payment gateway, data processing, banking transaction solutions, development of specialised system software and application software, smart card based solution to its customers in India. Further, the Company is operating only in India which is considered as a single geographical segment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM’s function is to allocate the resources of the entity and assess the performance of the operating segment of the Company. All assets of the Company are domiciled in India.

Note 45

Digital Wallet expenses for the year ended March 31, 2020, include loss incurred of Rs. 47.05 lakhs by the Company on account of transactions initiated by certain customers without adequate balances in their wallet accounts. The issue was identified by the Company as part of its regular reconciliations process with its service providers and the financial impact of this transaction has been appopriately recorded in the Statement of Profit and Loss for the year ended March 31, 2020. The Company has since strengthened its necessary controls and systems in place to prevent recurrence of such issues.

Note 46

In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms with the provisions of the said Act, the Company was to spend a sum of Rs. 4.19 lakhs (previous year Nil) towards CSR activities during the year ended 31 March 2021. The details of amount actually spent by the Company are:

	For the year ended March 31, 2021	**For the year ended 31 March 2020**
(a) Gross amount required to be spent by the Company	4.19	-
(b) Amount spent on		
- Construction/acquisition of any asset		
- Any other purpose other than above *	4.19	-
- Yet to be paid	-	-

*Contribution towards donation/corpus fund paid to Indiabulls Foundation

TranServ Limited
(formerly TranServ Private Limited)
Notes to the financial statements for the year ended March 31, 2021
(All amounts in lakhs unless otherwise stated)

Note 47
Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers (“Ind AS 115”), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:
(i) Identify the contract(s) with customer;
(ii) Identify separate performance obligations in the contract;
(iii) Determine the transaction price;
(iv) Allocate the transaction price to the performance obligations; and
(v) Recognise revenue when a performance obligation is satisfied.

The Company has adopted the standard on 1 April 2018 on a modified retrospective basis with a cumulative catch-up adjustment booked to retained earnings as at 1 April 2018 as if the standard had always been in effect. The standard is applied only to contracts that are not completed as at 1 April 2018. The adoption of the new standard did not result in any material adjustments to the Company’s revenue or net income.

The Company presents revenues net of indirect taxes in its statement of profit and loss.

(i) Disaggregation of revenue
Revenue earned from "technical services" for the year ended March 31, 2021 is as below:

Description	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Digital wallet program	6,808.56	6,172.33
Remittance program	30.60	119.04
Merchant program	-	9.94

The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and othe economic factors.

(ii) Assets and liabilities related to contracts with customers

Description	**As at 31 March 2021**	**As at 31 March 2020**
Contract assets related to sale of services		
Trade receivables	902.63	103.96
Contract liabilities related to sale of services		
Advances received	3.76	8.32

(iii) Balances in respect of assets recognized from costs incurred to obtain/ fulfill contracts:	**As at 31 March 2021**	**As at 31 March 2020**
a) Unamortised Cost of cards		
Non-current	2,134.22	977.98
Current	287.60	-
Cost of Cards amortized during the year	125.72	-
b) Unamortized Customer Acquisition Costs		
Non-current	10,040.78	-
Current	1,531.79	-
Customer acquisition costs amortized during the year	681.79	-

Note 48

In respect of amounts as mentioned under Section 124 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as on 31 March 2021 (Previous year : Rs. Nil).

Note 49

In respect of the Company's outstanding balances of certain financial assets, the Company follows a routine process of obtaining account statements/confirmations from various counterparties and subsequent resolution of discrepancies, if any due to reconciliations performed. Certain balances outstanding in respect of certain financial assets as at March 31, 2021 are subject to confirmation and are taken as shown by the books of accounts. In the opinion of the Board of Directors, adjustments, if required, through the above process of reconciliations, will not have any material impact on the financial statements of the Company.

Note 50

The outbreak of COVID–19 virus, and more specifically the ongoing current wave of infections and resultant lockdowns continue to cause significant disruptions and dislocations for individuals and businesses. While the lockdown restrictions introduced by the government at the beginning of the year were lifted in a phased manner and was followed by a period of increased economic activity, with the onset of a very severe second wave of infections, state governments have reintroduced lockdowns and have imposed restrictions on movement of people and goods. The Company's performance continues to be dependent on future developments, which are uncertain, including, among other things, including the current wave that has significantly increased the number of cases in India and any action to contain its spread or mitigate its impact. There has been no material change in the controls or processes followed in the closing of these financial statements of the Company.

The Company has assessed the impact of the pandemic on its operations and its assets including the value of its financial assets as at March 31, 2021. The management does not, at this juncture, believe that the impact on the value of the Company's assets is likely to be material. However, the operations of the Company are also ultimately dependent on the changes in market conditions. Since the situation is rapidly evolving, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor material changes in markets and future economic conditions.

(this space has intentionally been left blank)

Note 51
Previous year's figures have been reclassed wherever necessary.

For Ajay Sardana Associates	For and on behalf of board of directors	
Chartered Accountants		
Firm Registration No: 016827N		
Rahul Mukhi	Anish Williams	Pinank Jayant Shah
Partner	Director	Director
Membership No: 099719	DIN:03314110	DIN:07859778
New Delhi, June 17, 2021	Mumbai, June 17, 2021	