

INDEPENDENT AUDITOR'S REPORT

To the Members of
Transerv Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Transerv Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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, 2023, the loss and other comprehensive loss, 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.

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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 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.

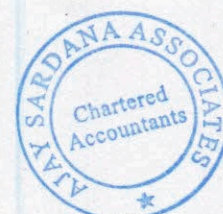
In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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.



Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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, 2020 ("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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.



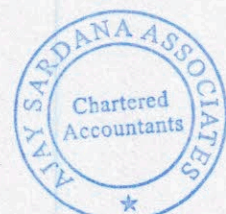
Report on Other Legal and Regulatory Requirements (continued)

- (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) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act :

In our opinion and according to the information and explanations given to us, the Company has taken requisite approvals in the extra ordinary general meeting of its members on May 24, 2023, in respect of remuneration paid to a Whole Time Director and Chief Executive Office of the Company during the year ended March 31, 2023 which was in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act 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:

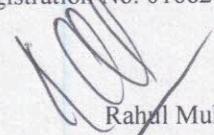
- i) The Company, as detailed in note 36 to the Financial Statements, has disclosed the impact of pending litigations on its financial position as at March 31, 2023.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.



Report on Other Legal and Regulatory Requirements (continued)

- v) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
- vi) The Company has not declared/paid any dividend during the year and subsequent to the year-end.

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



Rahul Mukhi
Partner
Membership No.099719
New Delhi, May 25, 2023
UDIN: 23099719BGZADQ7239



Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Transerv Limited for the year ended March 31, 2023

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended March 31, 2023, we report the following:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner. In accordance with this programme, certain property, plant and equipment were verified during the 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. Discrepancies noticed on such verification have been properly dealt with in the books of account.

(c) The Company does not have any immovable properties. Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

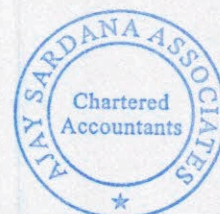
(ii) (a) The Company is a service company and accordingly, it does not hold any inventories. Thus, clause 3 (ii) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided security to or provided guarantees, granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties during the year and hence reporting under clause 3(iii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided security to or provided guarantees, granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties during the year and hence reporting under clause 3(iii)(b) of the Order is not applicable.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted loans and advances in the nature of loans and hence reporting under clause 3(iii)(c) of the Order is not applicable.



Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Transerv Limited for the year ended March 31, 2023 (continued)

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted loans and advances in the nature of loans and hence reporting under clause 3(iii)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted loans and advances in the nature of loans and hence reporting under clause 3(iii)(e) of the Order is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions in respect of loans, investments, guarantees and security, covered under section 185 and 186 of the Companies Act, 2013.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into Goods and Services Tax ("GST").

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax or Cess or other statutory dues which have not been deposited on account of any dispute, except as below:

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Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Transerv Limited for the year ended March 31, 2023 (continued)

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Goods and Service Tax Act, 2017/ Maharashtra Goods and Service Tax Act, 2017	Goods and service tax	Rs. 34.82 lakhs	Financial year 2017-2018	Joint Commissioner of State Tax

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, other than temporary deployment pending application of proceeds.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiaries. Accordingly, reporting on clause 3(ix)(e) of the Order is not applicable.

(f) The Company does not have any subsidiaries, joint ventures or associate companies (as defined under the Act). Accordingly, reporting on clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Transerv Limited for the year ended March 31, 2023 (continued)

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management, there were no whistleblower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) are not applicable to the Company.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the provisions related to internal audit are not applicable to the Company. Accordingly, clauses 3(xiv) (a) and 3(xiv) (b) of the Order is not applicable.

(xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) and clause 3 (xvi)(b) of the Order is not applicable.

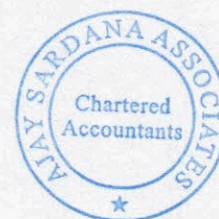
(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(c) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC as part of the Group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Transerv Limited for the year ended March 31, 2023 (continued)

(xx) (a) There are no amounts remaining unspent in respect of other than ongoing projects. Accordingly, clause 3(xx) (a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has not transferred unspent amount to a special account, within a period of thirty days from the end of the financial year as required under section 135(6) of the said Act, as follows:

Financial year	Amount unspent on Corporate Social Responsibility activities for "Ongoing Projects"	Amount Transferred to Special Account within 30 days from the end of the Financial Year	Amount Transferred after the due date
(a)	(b)	(c)	(d)
2022-2023	Rs. 20.29 lakhs	Nil (Refer Note 37 to the Financial Statements)	Rs. 20.29 lakhs (Refer Note 37 to the Financial Statements)

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



A handwritten signature in black ink, appearing to read "Rahul Mukhi".

Rahul Mukhi
Partner
Membership No.099719
New Delhi, May 25, 2023
UDIN: 23099719BGZADQ7239

Annexure B to the Independent Auditor's Report of even date on the Financial Statements of Transerv Limited for the year ended March 31, 2023

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 ("the Company") as of March 31, 2023 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, 2023, 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, May 25, 2023
UDIN: 23099719BGZADQ7239



TranServ Limited

Balance sheet as at March 31, 2023

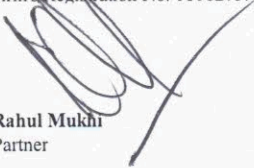
(All amounts in lakhs unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
(a) Property, plant and equipment	3	9.94	18.41
(b) Intangible assets	4	11.34	32.04
(c) Financial assets			
(i) Other Financial Assets	5	0.45	20.29
(d) Income Tax Assets (Net)	6	91.07	39.63
(e) Deferred tax assets (Net)	7	269.19	575.65
(f) Other non-current assets	8	16,589.30	20,387.60
Total non-current assets		16,971.29	21,073.62
Current assets			
(a) Financial assets			
(i) Trade receivables	9	96.01	101.65
(ii) Cash and cash equivalents	10	214.17	5,423.92
(iii) Other bank balances	11	2,397.15	11,114.13
(iv) Other financial assets	12	163.62	38.59
(b) Other current assets	13	4,696.67	6,330.10
Total current assets		7,567.62	23,008.39
Total assets		24,538.91	44,082.01
Equity and liabilities			
Equity			
(a) Equity share capital	14	647.92	647.92
(b) Other equity	15	2,066.07	4,899.49
Total equity		2,713.99	5,547.41
Non-current liabilities			
Provisions	16	26.33	74.68
Total non-current liabilities		26.33	74.68
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	19,400.00	21,860.00
(ii) Trade payables	18		
-Total outstanding dues of micro enterprises and small enterprises		-	0.12
-Total outstanding dues of creditors other than micro enterprises and small		696.83	687.65
(iii) Other financial liabilities	19	1,653.57	15,284.96
(b) Other current liabilities	20	46.82	625.42
(c) Provisions	21	1.37	1.77
Total current liabilities		21,798.59	38,459.92
Total equity and liabilities		24,538.91	44,082.01

The accompanying notes form an integral part of these financial statements.

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

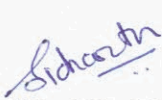
For Ajay Sardana Associates
Chartered Accountants
Firm's Registration No: 016827N


Rahul Mukhi
Partner


Membership No: 099719

Place: New Delhi
Date: May 25, 2023

For and on behalf of board of directors


Sidharth Vinod Nathani
Whole Time Director &
Chief Executive Officer
DIN:10040926

Place: Mumbai
Date: May 25, 2023


Akshay Kumar Tiwary
Director
DIN: '00366348

Place: Gurugram
Date: May 25, 2023



TranServ Limited
Statement of Profit and Loss for the year ended March 31, 2023
(All amounts in lakhs unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue			
I. Revenue from operations	22	3,676.52	14,961.31
II. Other income	23	372.37	52.79
Total income (I + II)		4,048.89	15,014.10
III. Expenses			
Employee benefits expense	24	(365.19)	1,337.40
Finance costs	25	1,664.22	1,479.40
Depreciation and amortization	26	25.59	102.46
Net loss on derecognition of financial assets		0.03	-
Other expenses	27	4,486.78	11,690.81
Total expenses (III)		5,811.43	14,610.07
IV. (Loss)/Profit before exceptional items and tax		(1,762.54)	404.03
V. Exceptional items		-	-
VI. (Loss)/Profit before tax [IV-V]		(1,762.54)	404.03
VII. Tax expense:	28		
Tax expense for earlier years		1.15	-
Deferred tax		308.49	(191.19)
Total tax expense		309.64	(191.19)
VIII. (Loss)/Profit for the year from continuing operations (VI - VII)		(2,072.18)	595.22
IX. Profit/(Loss) from discontinued operations		-	-
X. Tax expense of discontinued operations		-	-
XI. Profit/(Loss) from discontinued operations after tax (IX - X)		-	-
XII. (Loss)/Profit for the year (VIII+XI)		(2,072.18)	595.22
XIII. Other comprehensive income :			
Items that will not be reclassified to profit and loss			
Re-measurement loss on defined benefit plans		(8.06)	(13.92)
Income tax relating to items that will not be reclassified to profit and loss		2.03	3.50
Total other comprehensive loss		(6.03)	(10.42)
XIV. Total comprehensive (loss)/income for the year (XII + XIII)		(2,078.21)	584.80
XV. Earnings per equity share	29		
Basic		(31.98)	9.19
Diluted		(31.98)	9.19
Face value Rs.10 each			

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
Chartered Accountants
Firm's Registration No: 016827N

Rahul Mukhi
Partner

Membership No: 099719

Place: New Delhi
Date: May 25, 2023

For and on behalf of board of directors

Sidharth Vinod Nathani
Whole Time Director &
Chief Executive Officer

DIN:10040926

Place: Mumbai
Date: May 25, 2023

Akshay Kumar Tiwary
Director

DIN: '00366348

Place: Gurugram
Date: May 25, 2023



TranServ Limited
Statement of Cash flows for the year ended March 31, 2023
(All amounts in lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A Cash flow from operating activities		
(Loss)/Profit before tax	(1,762.54)	404.03
Adjustments for:		
Depreciation and amortisation	25.59	102.46
Impairment loss on intangible assets	-	1.06
Interest income classified as investing cash flows	(42.22)	(46.30)
Share based payments to employees	(755.21)	751.06
Provision for gratuity	7.19	10.49
Provision for compensated absences	-	15.67
Unwinding of interest income	(0.03)	36.28
Excess Provisions written back	(324.70)	(2.96)
Excess Provision for compensated absences written back	(4.22)	-
Net loss on derecognition of financial assets	0.03	-
Digital wallet expenses	3,754.61	3,270.71
Interest on loans	1,664.11	1,473.38
Bad debts	-	0.07
Loss on discard on tangible assets	3.58	-
Operating profit before working capital changes	2,566.19	6,015.95
Movement in working capital		
Decrease in trade receivables	5.64	800.91
Decrease/ (Increase) in other bank balances	8,716.98	(782.68)
(Increase)/decrease in other financial assets	(105.19)	1,053.64
Decrease/(Increase) in other current assets	1,633.43	(2,979.87)
Decrease/(Increase) in other non-current assets	43.69	(11,482.12)
Increase/(Decrease) in trade payables	9.06	(785.66)
Decrease in provisions	(59.78)	(2.69)
(Decrease)/Increase in other current liabilities	(253.90)	202.53
(Decrease)/Increase in other financial liabilities	(13,631.39)	10,666.82
Cash (used in)/generated from operating activities post working capital changes	(1,075.27)	2,706.83
Income tax refund/ (paid) (net)	(52.59)	0.88
Net cash (used in)/generated from operating activities (A)	(1,127.86)	2,707.71
B Cash flows from investing activities		
Purchase of property, plant and equipment	-	(14.27)
Interest received	42.22	46.30
Net cash generated from investing activities (B)	42.22	32.03
C Cash flows from financing activities		
(Repayment of)/Proceeds from Borrowings (net)	(2,460.00)	3,260.00
Interest paid	(1,664.11)	(1,473.38)
Net cash (used in)/generated from financing activities (C)	(4,124.11)	1,786.62
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(5,209.75)	4,526.36
Cash and cash equivalents at the beginning of the year	5,423.92	897.56
Cash and cash equivalents at the end of the year	214.17	5,423.92

Notes:

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.

The accompanying notes are an integral part of these financial statements

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

For Ajay Sardana Associates

Chartered Accountants
Firm's Registration No. 016827N

Rahul Mukhi
Partner

Membership No: 099719

Place: New Delhi
Date: May 25, 2023

For and on behalf of board of directors

Sidharth Vinod Nathani
Whole Time Director &
Chief Executive Officer

DIN: 10040926

Place: Mumbai
Date: May 25, 2023

Akshay Kumar Tiwary
Director

DIN: '00366348

Place: Gurugram
Date: May 25, 2023



TranServ Limited
Statement of changes in equity for the year ended March 31, 2023
(All amounts in lakhs unless otherwise stated)

A Equity share capital

(1) Current reporting year

Particulars	Balance at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes during the year	Balance at March 31, 2023
Equity share capital - Class A	0.01	-	0.01	-	0.01
Equity share capital	647.91	-	647.91	-	647.91

(2) Previous reporting year

Particulars	Balance at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes during the year	Balance at March 31, 2022
Equity share capital - Class A	0.01	-	0.01	-	0.01
Equity share capital	647.91	-	647.91	-	647.91

B Other equity

(1) Current reporting year

Particulars	Reserve and surplus			Total
	Securities premium	Share options outstanding reserve	Retained earnings	
Balance as at April 1, 2022	7,632.94	1,168.18	(3,901.63)	4,899.49
Changes in accounting policy or prior period errors	-	-	-	-
Restated Balance as at April 1, 2022	7,632.94	1,168.18	(3,901.63)	4,899.49
Profit/(Loss) for the year	-	-	(2,072.18)	(2,072.18)
Remeasurement of the net defined benefit liability (net of tax)	-	-	(6.03)	(6.03)
Recognised in the statement of profit and loss	-	(755.21)	-	(755.21)
Share Based options lapsed and transferred to retained earnings	-	(348.07)	348.07	-
Balance as at March 31, 2023	7,632.94	64.90	(5,631.77)	2,066.07

(2) Previous reporting year

Particulars	Reserve and surplus			Total
	Securities premium	Share options outstanding reserve	Retained earnings	
Balance as at April 1, 2021	7,632.94	417.12	(4,486.43)	3,563.63
Changes in accounting policy or prior period errors	-	-	-	-
Restated Balance as at April 1, 2021	7,632.94	417.12	(4,486.43)	3,563.63
Profit for the year	-	-	595.22	595.22
Remeasurement of the net defined benefit liability (net of tax)	-	-	(10.42)	(10.42)
Recognised in the statement of profit and loss	-	751.06	-	751.06
Balance as at March 31, 2022	7,632.94	1,168.18	(3,901.63)	4,899.49

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's Registration No: 016827N



Rahul Mukhi

Partner

Membership No: 099719

Place: New Delhi
Date: May 25, 2023

For and on behalf of board of directors



Sidharth Vinod Nathani

Whole Time Director &
Chief Executive Officer
DIN:10040926

Place: Mumbai
Date: May 25, 2023



Akshay Kumar Tiwary

Director

DIN: '00366348

Place: Gurugram
Date: May 25, 2023



TranServ Limited

Notes to the financial statements for the year ended 31 March 2023

1. Nature of operations

TranServ Limited (the 'Company') was incorporated on 24 December 2010 as a private limited company under the Companies Act, 1956. The Company is authorized by the Reserve Bank of India ("RBI") since 22 February 2016 to issue and operate semi closed Prepaid Payment Instruments (PPI) in accordance with the RBI's Master Directions on Prepaid Payment Instruments (PPIs) and is accordingly engaged in the business of providing digital wallet services to facilitate online transactions solutions. The Company's digital wallet which was earlier named as "UDIO" in August 2016 was rebranded as "Dhani Pay" in March 2019.

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 May 25, 2023.

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

The Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

2. 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 ^{Note 1}
- 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.



2. Summary of significant accounting policies (continued)

Current versus non-current classification (continued)

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle ^{Note 1}
- 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.



2. Summary of significant accounting policies (continued)

c) Intangible assets and intangible assets under development (continued)

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.

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.



2. 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 wallet services is recognized 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 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.



2. 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.



2. 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.



2. 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.

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2. Summary of significant accounting policies (continued)

n) Foreign currency transactions

Functional and presentation currency

The financial statements are presented in Indian Rupee ('INR') 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.

o) 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.

p) 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. 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.



2. Summary of significant accounting policies (continued)

p) 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

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.

q) 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.



2. Summary of significant accounting policies (continued)

q) Significant management judgement and estimates (continued)

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.

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.



TranServ Limited
Notes to the financial statements for the year ended March 31, 2023
(All amounts in lakhs unless otherwise stated)

Note 3

Property, plant and equipment

Description	Computers	Office equipment	Furniture and fixtures	Total
Gross Block				
As at April 01, 2021	16.34	2.47	1.68	20.49
Additions during the year	14.27	-	-	14.27
Disposals	-	-	1.68	1.68
Impact due to Revaluation	-	-	-	-
As at March 31, 2022	30.61	2.47	-	33.08
Additions during the year	-	-	-	-
Disposals/write off	7.76	2.00	-	9.76
Impact due to Revaluation	-	-	-	-
As at March 31, 2023	22.85	0.47	-	23.32
Accumulated Depreciation				
As at April 01, 2021	10.79	1.59	0.54	12.92
Charged for the year	2.07	0.22	0.06	2.35
Disposals	-	-	0.60	0.60
Impact due to Revaluation	-	-	-	-
As at March 31, 2022	12.86	1.81	0.00	14.67
Charged for the year	4.82	0.07	-	4.89
Disposals/write off	4.68	1.50	-	6.18
Impact due to Revaluation	-	-	-	-
As at March 31, 2023	13.00	0.38	0.00	13.38
Net block as at March 31, 2022	17.75	0.66	-	18.41
Net block as at March 31, 2023	9.85	0.09	-	9.94

Note 4

Intangible assets

Description	Amount (Rs.)
Gross block	
As at April 01, 2021	1,436.35
Additions during the year	-
Impairment loss recognized during the year	-
Impact due to Revaluation	-
As at March 31, 2022	1,436.35
Additions during the year	-
Impairment loss recognized during the year	-
Impact due to Revaluation	-
As at March 31, 2023	1,436.35
Amortisation	
As at April 01, 2021	1,304.20
Charged during the year	100.11
Disposals	-
Impact due to Revaluation	-
As at March 31, 2022	1,404.31
Charged during the year	20.70
Disposals	-
Impact due to Revaluation	-
As at March 31, 2023	1,425.01
Net block as at March 31, 2022	32.04
Net block as at March 31, 2023	11.34



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(All amounts in lakhs unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Note:5		
Other Financial Assets:		
Security Deposits (at amortised cost)	0.45	10.29
Bank deposits having maturity of more than twelve months	-	10.00
	<u>0.45</u>	<u>20.29</u>

	As at March 31, 2023	As at March 31, 2022
Note:6		
Income tax assets:		
Income Tax recoverable	91.07	39.63
	<u>91.07</u>	<u>39.63</u>

	As at March 31, 2023	As at March 31, 2022
Note:7		
Deferred tax assets (net):		
Deferred tax assets		
Arising on account of temporary differences due to:		
Property, plant and equipment and other intangible assets	14.73	20.38
Provision for Gratuity	4.93	13.68
Provision for Compensated Absences	2.04	5.56
Share options outstanding reserve	16.34	294.01
Unabsorbed Depreciation	231.15	242.08
Less: Deferred tax liabilities		
Arising on account of temporary differences due to:		
Financial assets measured at amortised cost	-	(0.06)
Deferred tax assets (net)	<u>269.19</u>	<u>575.65</u>

Movement of deferred tax

Particulars	As at April 01, 2022	Recognized in Statement of Profit and loss	Recognized in Other Comprehensive Income	As at March 31, 2023
Arising on account of temporary differences due to:				
Property, plant and equipment and other intangible assets	20.38	5.65	-	14.73
Provision for Gratuity	13.68	10.78	(2.03)	4.93
Provision for Compensated Absences	5.56	3.52	-	2.04
Share options outstanding reserve	294.01	277.67	-	16.34
Financial assets measured at amortised cost	(0.06)	(0.06)	-	-
Unabsorbed Depreciation	242.08	10.93	-	231.15
	<u>575.65</u>	<u>308.49</u>	<u>(2.03)</u>	<u>269.19</u>

Movement of deferred tax

Particulars	As at April 01, 2021	Recognized in Statement of Profit and loss	Recognized in Other Comprehensive Income	As at March 31, 2022
Property, plant and equipment and other intangible assets	15.20	(5.18)	-	20.38
Provision for Gratuity	8.22	(1.95)	(3.50)	13.68
Provision for Compensated Absences	1.62	(3.94)	-	5.56
Share options outstanding reserve	104.98	(189.03)	-	294.01
Financial assets measured at amortised cost	(0.04)	0.02	-	(0.06)
Gain on Recognition	(3.62)	(3.62)	-	-
Unabsorbed Depreciation	254.59	12.51	-	242.08
Total	<u>380.95</u>	<u>(191.19)</u>	<u>(3.50)</u>	<u>575.65</u>



TranServ Limited
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(All amounts in lakhs unless otherwise stated)

Note:8 Other non-current assets:	As at March 31, 2023	As at March 31, 2022
Unamortised cost of cards	2,818.34	4,033.89
Unamortised customer acquisition cost	13,769.54	16,353.25
Capital Advances	1.42	-
Prepaid expenses	-	0.46
	<u>16,589.30</u>	<u>20,387.60</u>

Note:9 Trade receivables:	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered good	96.01	101.65
Having significant increase in credit risk	-	-
Total- gross	96.01	101.65
Less: Impairment loss allowance due to expected credit loss	-	-
	<u>96.01</u>	<u>101.65</u>

(i) Ageing schedule as at 31 March 2023

Sr. no.	Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	96.01	-	-	-	-	96.01
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv)	Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

(ii) Ageing schedule as at 31 March 2022

Sr. no.	Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	101.65	-	-	-	-	101.65
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv)	Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Note:10 Cash and cash equivalents:	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- in current accounts		
- in deposits having original maturity of less than three months*	214.17	3,042.18
Cheque in hand	-	40.31
Cash on hand	-	2,341.38
	-	0.05
	<u>214.17</u>	<u>5,423.92</u>
	-	0.31

* Includes interest accrued thereon



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Notes to the financial statements for the year ended March 31, 2023

(All amounts in lakhs unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Note:11		
Other bank balances:		
Earmarked balances	2,397.15	10,286.17
Bank deposits having maturity of more than three months and upto twelve months*	-	827.96
	<u>2,397.15</u>	<u>11,114.13</u>
	-	2.37
* Includes interest accrued thereon		
Note:12	As at March 31, 2023	As at March 31, 2022
Other financial assets - current:		
Security Deposits (at amortised cost)	-	0.50
Amounts receivable from merchants	163.51	-
Other receivables	0.11	38.09
	<u>163.62</u>	<u>38.59</u>
Note:13	As at March 31, 2023	As at March 31, 2022
Other current assets:		
Prepaid expenses	4.65	14.48
Vendor advances (other than capital advances)	-	17.57
Prefund Balance with service providers	29.67	1,192.26
Balances with government authorities	911.76	1,405.38
Unamortised card acquisition cost	916.19	902.71
Unamortised customer acquisition cost	2,834.40	2,797.70
	<u>4,696.67</u>	<u>6,330.10</u>



Note:14

Share capital:

A. Equity Share Capital	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
(i) Authorised:				
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) Details of Promotor's Shareholding

Shares held by promoters' at the end of the year 31.03.2023			
Promoter name	No of Shares	% Holding	% Change during the year
Equity shares of Rs.10 each			
Dhani Loans and Services Limited	64,79,135	100%	No change
Total	64,79,135	100%	
Class A Equity shares of Rs.10 each			
Dhani Loans and Services Limited	48	100%	No change
Total	48	100%	

Shares held by promoters' at the end of the year 31.03.2022			
Promoter name	No of Shares	% Holding	% Change during the year
Equity shares of Rs.10 each			
Dhani Loans and Services Limited	64,79,135	100%	No change
Total	64,79,135	100%	
Class A Equity shares of Rs.10 each			
Dhani Loans and Services Limited	48	100%	No change
Total	48	100%	

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

	As at March 31, 2023		As at March 31, 2022	
	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	-	-	-	-
Less: Bought back 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	-	-	-	-
Less: Bought back 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 2023 (31 March 2022: Rs. 480)

(v) 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.



Note:14**Share capital: (continued)****(vi) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

	As at March 31, 2023		As at March 31, 2022	
	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%	64,79,129	100.00%
Pankaj Sharma	1	0.00%	1	0.00%
Sanjeev Kashyap	1	0.00%	1	0.00%
Ravinder Hawa Singh	1	0.00%	1	0.00%
Lalit Kumar Sharma	1	0.00%	1	0.00%
Akshay Kumar Tiwary	1	0.00%	1	0.00%
Matbeer Singh	1	0.00%	1	0.00%
(b) Class A Equity shares of Rs.10 each				
Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited)	48	100.00%	48	100.00%

* With effect from April 01, 2020, the Company become a wholly owned 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.

(vii) 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.

(viii) 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. In the event when dividend will be proposed by the Board of Directors it will be subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend subject to approval of Investor as reserved matter as per terms of Article of Association. In the event of a Liquidation Event, the holders of equity shares will be entitled to received 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 are issued to the investors as provided in the subscription agreement collectively having voting rights equal to the voting rights that would have been attached to the number of nominal equity shares.

C. Instruments entirely equity in nature

Authorised:	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Preference shares				
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



TranServ Limited

Notes to the financial statements for the year ended March 31, 2023

(All amounts in lakhs unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Note:15		
Other Equity:		
Securities premium	7,632.94	7,632.94
Share options outstanding reserve	64.90	1,168.18
Retained earnings	<u>(5,631.77)</u>	<u>(3,901.63)</u>
Securities premium	<u>2,066.07</u>	<u>4,899.49</u>

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, 2023	As at March 31, 2022
Note:16		
Provisions - non current: [Refer Note: 34]		
Provision for gratuity	18.88	53.25
Provision for compensated absences	<u>7.45</u>	<u>21.43</u>
	<u>26.33</u>	<u>74.68</u>

	As at March 31, 2023	As at March 31, 2022
Note:17		
Borrowings- current:		
- Repayable on demand		
from related parties (unsecured)	19,400.00	21,860.00
	<u>19,400.00</u>	<u>21,860.00</u>

(a) Unsecured Inter corporate loans taken from related parties are repayable on demand and carry interest ranging from 8.25% to 10% per annum respectively.

(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, 2023	As at March 31, 2022
Opening Balances	21,860.00	18,600.00
Cash flows:		
- Proceeds	3,190.00	29,650.00
- Repayment	5,650.00	26,390.00
Total	19,400.00	21,860.00

	As at March 31, 2023	As at March 31, 2022
Note:18		
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises	-	0.12
Total outstanding dues of creditors other than micro enterprises and small enterprises	<u>696.83</u>	<u>687.65</u>
	<u>696.83</u>	<u>687.77</u>



TranServ Limited

Notes to the financial statements for the year ended March 31, 2023

(All amounts in lakhs unless otherwise stated)

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

Particulars	As at March 31, 2023	As at March 31, 2022
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year;	-	0.12
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	-	-

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.

Particulars	Outstanding for following periods from due date of payment as at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	209.19	483.51	4.13	-	696.83
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	209.19	483.51	4.13	-	696.83

Particulars	Outstanding for following periods from due date of payment as at March 31, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.12	-	-	-	0.12
(ii) Others	683.52	4.13	-	-	687.65
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	683.64	4.13	-	-	687.77

	As at March 31, 2023	As at March 31, 2022
Note:19		
Other financial liabilities - current:		
Amount held on behalf of merchants from digital wallet business	50.36	12,483.39
Amounts held on behalf of customers in digital wallets	1,508.40	2,800.74
Salary payable	-	0.76
Other financial liabilities	0.07	0.07
Temporary overdraft balance as per books	94.74	-
	<u>1,653.57</u>	<u>15,284.96</u>

	As at March 31, 2023	As at March 31, 2022
Note:20		
Others current liabilities:		
Revenue received in advance	-	8.23
Statutory dues payable	16.73	39.48
Expenses payable	30.09	577.71
	<u>46.82</u>	<u>625.42</u>

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

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Balance at the beginning of the year	8.23	42.24
Add: Advance received during the year	-	240.00
Less: Revenue recognised during the year	8.16	274.01
Less: Subscription fees refunded during the year	0.07	-
Balance at the end of the year	-	8.23

	As at March 31, 2023	As at March 31, 2022
Note:21		
Provisions - current: [Refer Note: 34]		
Provision for gratuity	0.71	1.10
Provision for compensated absences	0.66	0.67
	<u>1.37</u>	<u>1.77</u>



TranServ Limited**Notes to the financial statements for the year ended March 31, 2023***(All amounts in lakhs unless otherwise stated)***Note:22****Revenue from operations:**

Digital wallet program & other allied services
Beneficiary Validation Services

	For the year ended March 31, 2023	For the year ended March 31, 2022
	3,673.18	14,883.26
	3.34	78.05
	3,676.52	14,961.31

Note:23**Other income:**

Interest income on:

- fixed deposits with banks
- Income tax refund

Unwinding of Interest Income

Profit on Sale of Gold Coin

Excess Provisions written back

Excess Provision for compensated absences written back [Refer Note: 34]

	For the year ended March 31, 2023	For the year ended March 31, 2022
	42.22	46.30
	1.20	3.46
	0.03	0.05
	-	0.02
	324.70	2.96
	4.22	-
	372.37	52.79

Note:24**Employee benefit expenses:**

Salaries and wages

Contributions to provident and other funds

Provision for gratuity [Refer Note: 34]

Provision for Compensated Absences [Refer Note: 34]

Share based expenses

Staff welfare expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
	370.27	546.17
	11.34	11.89
	7.19	10.49
	-	15.67
	(755.21)	751.06
	1.22	2.12
	(365.19)	1,337.40

Note:25**Finance costs:**

Interest on loans

Interest on taxes

	For the year ended March 31, 2023	For the year ended March 31, 2022
	1,664.11	1,473.38
	0.11	6.02
	1,664.22	1,479.40

Note:26**Depreciation and amortisation expense:**

Depreciation on property, plant and equipment

Amortization of intangible assets

	For the year ended March 31, 2023	For the year ended March 31, 2022
	4.89	2.35
	20.70	100.11
	25.59	102.46



TranServ Limited**Notes to the financial statements for the year ended March 31, 2023***(All amounts in lakhs unless otherwise stated)***Note:27****Other expenses:**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent	3.02	3.02
Legal, professional and technical services	56.46	168.54
Rates and taxes	1.12	0.50
Auditor's remuneration-As auditor	10.50	6.25
Office Maintenance	1.28	0.74
Advertisement & Business Promotion Expenses	3.77	3,495.44
Digital wallet expenses	4,376.42	7,917.14
Remittance program expenses	4.89	77.98
Bank Charges	0.35	0.82
Credit card charges	-	1.90
Printing and Stationery	0.84	0.19
Impairment loss/Discard on tangible/intangible assets	3.58	1.06
Repair and Maintenance	-	0.11
Travelling and Conveyance	3.95	1.39
Communication Cost	0.24	1.06
Corporate Social Responsibility Expenses [Refer Note: 37]	20.29	14.60
Bad debts	-	0.07
Miscellaneous expenses	0.07	-
	4,486.78	11,690.81

***Remuneration to auditors comprises of:**

Statutory audit fees	9.00	4.50
Tax audit fees	1.50	1.50
Others	-	0.25
	10.50	6.25

Note:28**Income tax****Tax expense comprises of:**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax (including earlier years)	1.15	-
Deferred tax	308.49	(191.19)
Income tax expense reported in the statement of profit and loss	309.64	(191.19)



TranServ Limited**Notes to the financial statements for the year ended March 31, 2023***(All amounts in lakhs unless otherwise stated)*

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.17% (31 March 2022: 25.17%) and the reported tax expense in statement of profit or loss are as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before tax expense		
Income tax rate	(1,762.54)	404.03
Expected tax expense	25.17%	25.17%
Tax	(443.64)	101.69
Tax impact of permanent differences		
Effect of non-deductible expenses	5.14	204.46
Tax effect of income not taxable	(92.77)	(306.15)
Tax effect of losses on which deferred tax not created	531.27	-
Deferred tax effect of temporary differences	308.49	(191.19)
Earlier years tax adjustment	1.15	-
Income tax expense	<u>309.64</u>	<u>(191.19)</u>
* Expiry financial year (as per Income tax Act, 1961)	For the year ended March 31, 2023	For the year ended March 31, 2022
Unused tax losses		
1 April 2024 - 31 March 2025	399.69	773.40
1 April 2025 - 31 March 2026	1,206.88	1,206.88
1 April 2026 - 31 March 2027	58.15	58.15
1 April 2030 - 31 March 2031	2,988.06	-
Unabsorbed depreciation for indefinite period	918.43	961.85
	<u>5,571.21</u>	<u>3,000.27</u>

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 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, 2023 and March 31, 2022.

Note:29

	For the year ended March 31, 2023	For the year ended March 31, 2022
Earnings per equity share		
(Loss)/Profit for the year	<u>(2,072.18)</u>	<u>595.22</u>
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.)	(31.98)	9.19
Diluted earnings per share (Rs.)	(31.98)	9.19



Note 30 Financial instruments by category

For amortised cost instruments, carrying value represents the best estimate of fair value.

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Financial assets measured at amortised cost			
Trade receivables			
Cash and cash equivalents	9	96.01	101.65
Other bank balances	10	214.17	5,423.92
Other financial assets	11	2,397.15	11,114.13
Total	5 and 12	164.07	58.88
Financial liabilities measured at amortised cost			
Borrowings			
Trade payables	17	19,400.00	21,860.00
Other financial liabilities	18	696.83	687.77
Total	19	1,653.57	15,284.96
		21,750.40	37,832.73

Particulars	31 March 2023		31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Trade receivables	-	96.01	-	101.65
Cash and cash equivalents	-	214.17	-	5,423.92
Other bank balances	-	2,397.15	-	11,114.13
Other financial assets	-	164.07	-	58.88
Total financial assets	-	2,871.40	-	16,698.58
Financial liabilities				
Borrowings	-	19,400.00	-	21,860.00
Trade payables	-	696.83	-	687.77
Other financial liabilities	-	1,653.57	-	15,284.96
Total financial liabilities	-	21,750.40	-	37,832.73

(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, 2023 and March 31, 2022.

(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, 2023		March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Trade receivables	96.01	96.01	101.65	101.65
Cash and cash equivalents	214.17	214.17	5,423.92	5,423.92
Other bank balances	2,397.15	2,397.15	11,114.13	11,114.13
Other financial assets	164.07	164.07	58.88	58.88
Total financial assets	2,871.40	2,871.40	16,698.58	16,698.58
Financial liabilities				
Borrowings	19,400.00	19,400.00	21,860.00	21,860.00
Trade payables	696.83	696.83	687.77	687.77
Other financial liabilities	1,653.57	1,653.57	15,284.96	15,284.96
Total financial liabilities	21,750.40	21,750.40	37,832.73	37,832.73

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.



Note 31 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, 2023	March 31, 2022
Low credit risk		
Cash and cash equivalents		5,423.92
Other bank balances	214.17	11,114.13
Trade receivables	2,397.15	
Other financial assets	96.01	101.65
	164.07	58.88
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.



Note 31 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 2023

Particulars	Estimated gross carrying amount at risk of default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	96.01	-	96.01
Cash and cash equivalents	214.17	-	214.17
Other bank balances	2,397.15	-	2,397.15
Other financial assets	164.07	-	164.07

As at 31 March 2022

Particulars	Estimated gross carrying amount at risk of default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	101.65	-	101.65
Cash and cash equivalents	5,423.92	-	5,423.92
Other bank balances	11,114.13	-	11,114.13
Other financial assets	58.88	-	58.88

(iv) Expected credit loss for trade receivables under simplified approach

As at 31 March 2023

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
Not Past due			
0 - 90 Days	96.01	-	96.01
90 - 180 Days	-	-	-
180 - 270 Days	-	-	-
More than 270 Days	-	-	-

As at 31 March 2022

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
Not Past due			
0 - 90 Days	101.65	-	101.65
90 - 180 Days	-	-	-
180 - 270 Days	-	-	-
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 2023	Less than 1 year	1-3 year	More than 3 year	Total
Non-derivatives				
Trade receivables	96.01	-	-	96.01
Cash and cash equivalents	214.17	-	-	214.17
Other bank balances	2,397.15	-	-	2,397.15
Other financial assets	163.62	-	0.45	164.07
Total undiscounted financial assets	2,870.95	-	0.45	2,871.40
Net undiscounted financial assets	2,870.95	-	0.45	2,871.40



Note 31 Financial risk management (continued.)

31 March 2022	Less than 1 year	1-3 year	More than 3 year	Total
Non-derivatives				
Trade receivables	101.65	-	-	101.65
Cash and cash equivalents	5,423.92	-	-	5,423.92
Other bank balances	11,114.13	-	-	11,114.13
Other financial assets	58.13	-	0.75	58.88
Total undiscounted financial assets	16,697.83	-	0.75	16,698.58
Net undiscounted financial assets	16,697.83	-	0.75	16,698.58

31 March 2023	Less than 1 year	1-3 year	More than 3 year	Total
Non-derivatives				
Borrowings	19,400.00	-	-	19,400.00
Trade payables	696.83	-	-	696.83
Other financial liabilities	1,653.57	-	-	1,653.57
Total undiscounted financial liabilities	21,750.40	-	-	21,750.40
Net undiscounted financial liabilities	21,750.40	-	-	21,750.40

31 March 2022	Less than 1 year	1-3 year	More than 3 year	Total
Non-derivatives				
Borrowings	21,860.00	-	-	21,860.00
Trade payables	687.77	-	-	687.77
Other financial liabilities	15,284.96	-	-	15,284.96
Total undiscounted financial liabilities	37,832.73	-	-	37,832.73
Net undiscounted financial liabilities	37,832.73	-	-	37,832.73

Note 32 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 2023	31 March 2022
Total borrowings	19,400.00	21,860.00
Debt	19,400.00	21,860.00
Total equity	2,713.99	5,547.41
Debt to equity ratio	7.15	3.94



Note 33 Related party disclosures

List of related parties and relationships

a) Related parties where control exists

- i) Ultimate Holding Company
Dhani Services Limited
- ii) Holding Company
Dhani Loans and Services Limited
- iii) Entities Under Common Control
Dhani Healthcare Limited
Dhani Stocks Limited
- iv) Key Management Personnel
Anish E Williams - Whole Time Director (Resigned w.e.f 30.04.2022)
Akhlil Gupta - CEO & Whole Time Director (Resigned w.e.f 13.02.2023)
Sidharth Nathani- Whole Time Director & CEO (Appointed w.e.f 13.02.2023)

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

S. No	Particulars	Year	Key Management Personnel	Ultimate Holding Company	Holding Company	Entities under common control	Total
1	Managerial remuneration*	31 March 2023	(571.34)	-	-	-	(571.34)
		31 March 2022	620.62	-	-	-	620.62
2	Reimbursement of Expenses paid/(received)	31 March 2023	-	-	-	(493.60)	(493.60)
		31 March 2022	-	-	(1,807.61)	(12,044.00)	(13,851.61)
3	Customer Acquisition costs	31 March 2023	-	-	-	-	-
		31 March 2022	-	-	5,658.88	-	5,658.88
4	Income from Beneficiary Validation Services	31 March 2023	-	-	2.24	1.10	3.34
		31 March 2022	-	-	71.67	6.38	78.05
5	Service fees	31 March 2023	-	-	-	-	-
		31 March 2022	-	-	10.17	-	10.17
6	Rent	31 March 2023	-	-	3.02	-	3.02
		31 March 2022	-	-	3.02	-	3.02
8	Income from Digital wallet program	31 March 2023	-	-	-	2,400.00	2,400.00
		31 March 2022	-	-	-	0.06	0.06
9	Finance Cost	31 March 2023	-	1,657.40	-	6.71	1,664.11
		31 March 2022	-	177.41	178.29	1,117.68	1,473.38
10	Unsecured Inter Corporate Deposits (Maximum balance outstanding during the year)	31 March 2023	-	22,250.00	-	2,410.00	24,660.00
		31 March 2022	-	19,450.00	5,000.00	18,600.00	43,050.00

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

Particulars	March 31, 2023	March 31, 2022
Short Term Employee Benefit Expense	132.31	299.83
Post employment benefits - Gratuity	14.20	14.72
Other long term employee benefits - compensated absences	(5.54)	13.07
Share Based Expenses	(706.93)	275.90
ESOP	(5.38)	17.11
Total	(571.34)	620.62

Remuneration paid to the Whole Time Director and the Chief Executive Officer of the Company for the year ended March 31, 2023 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 May 24, 2023.

(c) Outstanding balances at year end:

S.No	Particulars	Year	Key Management Personnel	Ultimate Holding Company	Holding Company	Entities under common control	Total
1	Unsecured Inter Corporate Deposits	31 March 2023	-	19,400.00	-	-	19,400.00
		31 March 2022	-	19,450.00	-	2,410.00	21,860.00
2	Other receivables	31 March 2023	-	-	-	-	-
		31 March 2022	-	3.74	-	-	3.74

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 as are 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.



Note 34
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, 2023	Year ended March 31, 2022
Employer's Contribution made to:		
(i) employees' provident fund	10.06	11.81
(ii) employees' state insurance	0.05	0.07
(iii) labour welfare fund	-	0.01
Total	10.11	11.89

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, 2023	As at March 31, 2022
Present value of the obligation	19.59	54.35
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	19.59	54.35
Current liability (amount due within one year)	0.71	1.10
Non-current liability (amount due over one year)	18.88	53.25

ii) Loss recognised in other comprehensive income:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial (gain)/loss net on account of:		
-Changes in demographic assumptions	-	-
-Changes in financial assumptions	(1.26)	(3.04)
-Changes in experience adjustment	9.32	16.96
Loss recognised in other comprehensive income	8.06	13.92

iii) Expenses recognised in statement of profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	3.92	7.58
Past service cost	-	-
Interest cost	3.27	2.91
Cost recognised during the year	7.19	10.49

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

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation at the beginning of the year	54.35	32.63
Current service cost	3.92	7.58
Past service cost	-	-
Interest cost	3.27	2.91
Actuarial loss	8.06	13.92
Benefits paid	(50.01)	(2.69)
Present value of defined benefit obligation at the end of the year	19.59	54.35



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

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.36%	7.18%
Salary escalation rate	5.00%	5.00%
Retirement Age (Years)	60	60
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%
Weighted average duration of PBO	17.53	18.27

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
0 to 1 year	0.71	1.10
1 to 2 year	0.39	0.81
2 to 3 year	0.92	0.87
3 to 4 year	0.38	1.16
4 to 5 year	0.37	0.88
5 to 6 year	0.37	0.88
6 year onwards	16.45	48.65

vi) Sensitivity analysis for gratuity liability:

Particulars	As at March 31, 2023	As at March 31, 2022
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	19.59	54.35
Impact due to increase of 0.50%	(1.42)	(3.62)
Impact due to decrease of 0.50%	1.59	3.97
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	19.59	54.35
Impact due to increase of 0.50%	0.70	4.04
Impact due to decrease of 0.50%	(0.82)	(3.71)

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. 4.72 lakhs (Previous year Rs. 12.02 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. Excess provisions of Rs. 4.22 lakhs (Previous year expense charged of Rs. 15.67 lakhs) has been credited to the Statement of Profit and Loss for the year ended March 31, 2023, on the basis of actuarial valuation at the year end.

i) Amounts recognised in the balance sheet:

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of the obligation	8.11	22.10
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	8.11	22.10
Current liability (amount due within one year)	0.66	0.67
Non-current liability (amount due over one year)	7.45	21.43

ii) Loss/(Gain) recognised in other comprehensive income:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial (gain)/loss net on account of:		
-Changes in demographic assumptions	-	-
-Changes in financial assumptions	-	-
-Changes in experience adjustment	-	-
Loss/(Gain) recognised in other comprehensive income	-	-

iii) (Write-back)/Expenses recognised in statement of profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	1.68	2.98
Past service cost	-	-
Interest cost	1.30	0.97
Actuarial loss	(7.20)	11.72
(Write-back)/Expense recognised during the year	(4.22)	15.67

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

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation at the beginning of the year	22.10	6.43
Current service cost	1.68	2.98
Past service cost	-	-
Interest cost	1.30	0.97
Actuarial loss	(7.20)	11.72
Benefits paid	(9.77)	-
Present value of defined benefit obligation at the end of the year	8.11	22.10



Note 34
Employee benefits (continued)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.36%	7.18%
Salary escalation rate	5.00%	5.00%
Retirement Age (Years)	60	60
Ages (Withdrawal rate)		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Leave (Withdrawal rate)		
Leave availment rate	5.00%	5.00%
Leave lapse rate while in service	Nil	Nil
Leave lapse rate on exit	Nil	Nil
Leave encashment while in service	Nil	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) (Previous year 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, 2023	As at March 31, 2022
0 to 1 year	0.66	0.67
1 to 2 year	0.15	0.33
2 to 3 year	0.15	0.34
3 to 4 year	0.15	0.34
4 to 5 year	0.15	0.34
5 to 6 year	0.15	0.34
6 year onwards	6.70	19.74

vi) Sensitivity analysis of the defined benefit obligation

Particulars	As at March 31, 2023	As at March 31, 2022
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	8.11	22.10
Impact due to increase of 0.50 %	(0.65)	(1.38)
Impact due to decrease of 0.50 %	0.71	1.47
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	8.11	22.10
Impact due to increase of 0.50 %	0.73	1.50
Impact due to decrease of 0.50 %	(0.66)	(1.39)

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. 2.02 lakhs (Previous year Rs. 4.68 lakhs).

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 35

Operating segments

The Company operates in a single reportable segment i.e. "digital wallet 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 digital wallet services to facilitate online transactions solutions 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.



Contingent liabilities and commitments

i. Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Goods and Service Tax (including interest there on) - on account of rejection of ITC claimed on input services vide an order passed by the Deputy Commissioner of State Tax, against which the Company has preferred an appeal with the Joint Commissioner of State Tax	34.82	34.82

ii. Capital commitments:

	March 31, 2023	March 31, 2022
Capital commitments	40.11	-
Less: Capital Advances	(1.42)	-
Net Capital Commitments	38.69	-

Note 37

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 of the provisions of the said Act, the Company was to spend a sum of Rs. 20.29 lakhs (previous year Rs. 14.60 lakhs) towards CSR activities during the year ended 31 March 2023. The details of amount spent / unspent by the Company are as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Gross amount required to be spent by the company during the year	20.29	14.60
(b) Amount of expenditure incurred	-	14.60
(c) Shortfall at the end of the year	20.29	-
(d) Total of previous year shortfall	-	-
(e) Reason for the shortfall	Refer Note 37.1 below	N.A.
(f) Nature of CSR activities	Refer Note 37.2 below	
(g) Details of related parties transactions, e.g., Contributions to a trust controlled by the company in relation to CSR Expenditure as per relevant Accounting Standard	-	-
(h) Where the provision is made with respect to liability incurred by entering into a contractual obligation, the movements in the provision during the year.	N.A.	N.A.

37.1 : During the year ended March 31, 2023, the Company had contributed Rs. 20.29 lakhs, being the amount required to be spent by the Company towards Corporate Social Responsibility expenses to a Trust. The said amount was not utilised / spent for the intended CSR activity by the Trust till March 31, 2023. Accordingly, subsequent to the year end, on May 2, 2023 (April 30, 2023 and May 1, 2023 being public holidays), the Trust credited Rs. 20.29 lakhs to a Special Account titled "TranServ Limited Unspent CSR Account" maintained with a scheduled bank.

37.2. Nature of CSR activities: Promotion of Education including Scholarship to Students



Note 38

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 2023		As at 31 March 2022	
	Within 12 months	After 12 months	Within 12 months	After 12 months
I. Assets				
Non-current assets				
Property, plant and equipment	-	9.94	-	18.41
Right of use assets	-	-	-	-
Intangible assets	-	11.34	-	32.04
Financial assets				
Loans	-	-	-	-
Other Financial Assets	-	0.45	-	20.29
Income Tax Assets (Net)	-	91.07	-	39.63
Deferred tax assets	-	269.19	-	575.65
Other non-current assets	-	16,589.30	-	20,387.60
Total non-current assets	-	16,971.29	-	21,073.62
Current assets				
Financial assets				
Trade receivables	96.01	-	101.65	-
Cash and cash equivalents	214.17	-	5,423.92	-
Other bank balances	2,397.15	-	11,114.13	-
Loans	-	-	-	-
Other financial assets	163.62	-	38.59	-
Other current assets	4,696.67	-	6,330.10	-
Total current assets	7,567.62	-	23,008.39	-
Total assets (I)	7,567.62	16,971.29	23,008.39	21,073.62
II. Liabilities				
Non-current liabilities				
Provisions	-	26.33	-	74.68
Total non-current liabilities	-	26.33	-	74.68
Current liabilities				
Financial liabilities				
Borrowings	19,400.00	-	21,860.00	-
Trade payables				
-Total outstanding dues of micro enterprises and small enterprises	-	-	0.12	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	696.83	-	687.65	-
Other financial liabilities	1,653.57	-	15,284.96	-
Other current liabilities	46.82	-	625.42	-
Provisions	1.37	-	1.77	-
Total current liabilities	21,798.59	-	38,459.92	-
Total liabilities (II)	21,798.59	26.33	38,459.92	74.68
Net (I - II)	(14,230.97)	16,944.96	(15,451.53)	20,998.94



TranServ Limited

Notes to the financial statements for the year ended March 31, 2023

(All amounts in lakhs unless otherwise stated)

Note 39

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

(i) Disaggregation of revenue

Disaggregation of revenue is not required as the Company's primary business is to provide digital wallet services which is governed by Ind AS 109. Company's revenue from provision of services arising from contracts entered with customers to provide digital wallet services is not concentrated to specific customer/segment. Management reviews the revenue of the Company on the information available as disclosed in Statement of Profit and Loss.

Assets and liabilities related to contracts with customers

Description	As at 31 March 2023	As at 31 March 2022
Contract assets related to sale of service		
Trade receivables	96.01	101.65
Contract liabilities related to sale of service		
	-	-

(iii) Balances in respect of assets recognized from costs incurred to obtain/ fulfill contracts:		
	As at 31 March 2023	As at 31 March 2022
a) Unamortised Cost of cards		
Non-current	2,818.34	4,033.89
Current	916.19	902.71
Cost of Cards amortized during the year	914.05	721.81
b) Unamortized Customer Acquisition Costs		
Non-current	13,769.54	16,353.25
Current	2,834.40	2,797.70
Customer acquisition costs amortized during the year	2,840.56	2,548.90

Note 40

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 2023 (Previous year : Rs. Nil).

Note - 41

There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) during the year ended March 31, 2023 and March 31, 2022.

Note - 42

The Company has not taken any borrowings from banks or financial institutions on the basis of security of current assets during the year ended March 31, 2023 and March 31, 2022.

Note - 43

The Company has not been declared a wilful defaulter by any bank or financial Institution or other lender during the year ended March 31, 2023 and March 31, 2022.



TranServ Limited

Notes to the financial statements for the year ended March 31, 2023

(All amounts in lakhs unless otherwise stated)

Note - 44

The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended March 31, 2023 and March 31, 2022.

Note - 45

There are no charges or satisfaction yet to be registered with Registrar of Companies by the Company during the year ended March 31, 2023 and March 31, 2022.

Note - 46

The Company did not enter into any transactions which are not recorded in the books of accounts and has been surrendered or disclosed as income during the year ended March 31, 2023 and March 31, 2022 in the tax assessments under the Income Tax Act, 1961.

Note - 47

The Company has not traded or invested in crypto currency or virtual currency during the financial year ended March 31, 2023 and March 31, 2022.

Note - 48

(i) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The Company has not advanced or loaned or invested any funds from any person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediaries shall;

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Note - 49

Analytical Ratios

The ratios for the years ended March 31, 2023 and March 31, 2022 are as follows:

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance %	Remarks
Current Ratio	Current Assets	Current Liabilities	34.72%	59.82%	-42%	Due to decrease in current liabilities and current assets as compared to F.Y. 2021-22
Debt-Equity Ratio	Total Debt	Total Equity	7.15	3.94	81%	Due to reduction in equity on account of net loss during the year ended March 31, 2023
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	-0.02	0.09	-119%	Due to negative earnings available to service debt as compared to FY: 2021-22
Return on Equity Ratio	Net profit/ (loss) after tax	Average Share holder's equity	-50.35%	11.98%	-520%	Due to net loss during the year ended March 31, 2023
Trade Receivables turnover ratio	Net credit sales	Average trade receivables	4.48	6.39	-30%	Due to lower revenue from operations in FY 2022-23
Trade payables turnover ratio	Other expenses, unamortised card cost and unamortised customer acquisition cost	Average trade payables	24.92	23.33	7%	N.A
Net capital turnover ratio	Revenue	Average working capital	-26.20%	-125.33%	79%	Due to lower revenue from operations in FY 2022-23
Net profit ratio	Net profit/ (loss) after tax	Revenue	-51.33%	3.90%	-1418%	Due to lower revenue from operations in FY 2022-23
Return on Capital employed	Earnings before interest and tax	Capital Employed	-0.41%	4.41%	-109%	Due to net loss during the year ended March 31, 2023
Return on investment	Income generated from investments	Average cost of investments	N.A.	N.A.	N.A.	N.A.

Note 50

Figures for the previous year have been regrouped/ re-arranged wherever considered necessary to confirm to the figures presented in the current year.

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

Rahul Mukhi
Partner

Membership No: 099719

Place: New Delhi
Date: May 25, 2023

For and on behalf of board of directors

Sidharth Vinod Nathani
Whole Time Director &
Chief Executive Officer

DIN: 10040926

Place: Mumbai
Date: May 25, 2023

Akshay Kumar Tiwary
Director

DIN: '00366348

Place: Gurugram
Date: May 25, 2023

