ANNUAL REPORT 2020-21

ISERVEU TECHNOLOGY PRIVATE LIMITED

4TH FLOOR JSS TOWER, INFOCITY SQUARE, BHUBANESWAR, KHORDHA OR-751024, IN

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DIRECTORS' REPORT

To,
The Members,
IserveU Technology Private Limited
U72900OR2016PTC025851

Your Directors have pleasure in presenting their **05th Annual Report** on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2021.

1. Performance of the Company

Financial Results

(Amount in ₹ lakhs)

Particulars	For the Year Ended 31st March 21	For year ended 31st March 2020
Total Income	**4,208.42**	**2,231.28**
Total Expenditure	**4,155.24**	**2,202.25**
Profit before Tax	**53.18**	**29.03**
Less: Provision for Tax		
Current Tax	37.83	7.55
Deferred Tax (asset)/ liability	(24.00)	0.95
Net Profit after Tax	**39.35**	**20.53**
EPS (Basic)	186.77	102.65
EPS (Diluted)	**186.77**	**102.65**

Performance

During the year, your company recorded a Total Income of Rs. 42,08,42,000/- from Rs. 22,31,28,000/- in previous year, a rise of 89.00% as compared to the previous year. The Profit before Tax stood at Rs. 53,18,000/- from Rs. 29,03,000/- in previous year, an increase of 83.20% as compared to the previous year. Profit after Tax increased to Rs. 39,35,000/- from Rs. 20,53,000/- in previous year, an increase of 91.66% as compared to the previous year.

2. Covid-19 pandemic

The COVID-19 pandemic has emerged as a global challenge, creating disruption across the world forcing governments to enforce lock-downs of all economic activity. The physical and emotional wellbeing of employees continues to be our top priority along with minimizing disruption of services for all our customers. The Company effectively responded to this pandemic situation and ensured that the business was not affected and operations of the Company were carried out while handling the crisis situation. Several initiatives were rolled out to make teams and managers effective while working from different locations.

The Company is actively seeking new opportunities and is continuously striving to navigate all the challenges that it would face.

3. State of Companies Affairs

The Company is focused on its vision and committed to fulfilling its mission through ensuring consistent delivery of quality products, unsurpassed service and premium value to its esteemed customers. It also aims to work diligently as a team with high standards of integrity, as well as emerge as a winner in the marketplace in all aspects of it business. Further details are mentioned in the Financials of the Company.

4. Holding, Subsidiaries, Joint Ventures and Associate Companies

Pursuant to the definitive agreements entered into by the Company with Niyogin Fintech Limited, it has become a subsidiary of Niyogin Fintech Limited w.e.f. December 18, 2020 and Niyogin Fintech Limited and the shareholders of the Company Niyogin Fintech Limited hold 51.00% equity share capital and voting rights in the Company.

5. Changes in the capital structure

During the year 2020-21, the Company increased its paid-up share capital by way of private placement of 3,209 (Three Thousand Two Hundred Nine only) equity shares having face value of Rs.10/- each to Niyogin Fintech Limited and became subsidiary of Niyogin Fintech Limited w.e.f. December 18, 2020.

6. Dividend

Your Director's do not recommend any dividend for the financial year 2020-21.

7. Meetings

During the year under review, Ten (10) Board Meetings convened and held on April 15, 2020, June 30, 2020, July 21, 2020, August 10, 2020, August 31, 2020, October 05, 2020, October 12, 2020, December 18, 2020, February 08, 2021 and February 26, 2021.

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

8. Directors and Key Managerial Personnel

As on March 31, 2021, the Company's Board consists of the following Directors:

- Amit Tyagi - Director
- Debiprasad Sarangi - Director
- Amit Vijay Rajpal – Additional Director
- Rumit Dugar – Additional Director
- Tashwinder Harjap Singh – Additional Director

During the year 2020-21, Mr. Debashis Mohapatra ceased to be the Director of the Company with effect from January 04, 2021 and Mr. Amit Vijay Rajpal, Mr. Rumit Dugar and Mr. Tashwinder Harjap Singh were appointed as Additional Directors of the Company with effect from January 13, 2021.

9. Annual Return

A copy of the annual return as provided under section 92(3) of the Act, in the prescribed form, which will be filed with the Registrar of Companies/MCA, is placed on Company's website www.iserveu.in.

10. Particulars of Loans, Guarantees or Investments

During the year under review, the Company has not provided any guarantees covered under section 186 of the Companies Act, 2013.

11. Particulars of Contract and Arrangements made with Related Parties

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract or arrangement with related parties which could be considered as 'material' (i.e. transactions which were required to be placed before the members of the Company) according to the policy of the Company on materiality of Related Party Transactions. None of the Directors had any pecuniary relationships or transactions vis-à-vis the Company. Since all the Related Party Transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, hence Form AOC-2 is not applicable to the Company.

12. Public Deposits

In terms of the provisions of Sections 73 of the Act read with the relevant Rules of the Act, the Company had no opening or closing balances and also has not accepted any deposits during the year under review and as such, no amount of principal or interest was outstanding as on March 31, 2021.

13. Transferred to any Reserves

During the period under review it is not proposed to carry any amount to any reserves. Hence, disclosure under Section 134(3)(j) of the Companies Act, 2013 is not required.

14. Maintenance of Cost Records

The Company is not required to maintain any cost records as specified by the Central Government under Sub-section (1) of Section 148 of the Companies Act, 2013.

15. Human Resource Management

The Company recognizes human resource to be the most valuable asset of the Company. People development continues to be a key focus area at iServeU. The Company continues to pay a focused attention on the development of human relations within the organization. The Company believes in building a culture of innovation and creativity where our employees are inspired to achieve excellence in their area of functioning.

16. Sexual Harassment Policy

The Company has adopted a Policy on Prevention, Prohibition and Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under for prevention and redressal of complaints of sexual harassment at work place. The Company has not received any complaint on sexual harassment during the year under review.

17. Risk Management Policy

The Company has a robust Risk Management Framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. Risk mitigation continues to be a key area of concern for the Company, which has regularly invested in insuring itself against unforeseen risks. The Company's insurable assets like server, computer equipment, office equipment, furniture & fixtures etc. have been adequately insured against major risks.

18. Corporate Social Responsibility

In terms of the Section 135(5) of Companies Act, 2013, the Company is not fulfilling the criteria of having average net profit for immediate three preceding financials years. Accordingly, the Company is not required to spend amount in the CSR activities during the financial year.

complaints.

19. Audit Committee

Presently, the provisions of Section 177 of the Companies Act, 2013 read with Rules 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 are not applicable to the Company.

20. Conservation of Energy, Technology Absorption. Foreign Exchange Earnings and Outgo

Being in service sector, the particulars relating to conservation of energy, technology absorption as required to be disclosed under the Act are not applicable to the Company. The Company has not earned any amount in terms of foreign Exchange.

21. Significant & material orders passed by the regulators or courts

There are no material litigations outstanding as on March 31, 2021.

22. Adequacy of Internal Financial Controls in Relation to Financial Statements

The Company has documented its internal financial controls considering the essential components of various critical processes, both physical and operational. This includes its design, implementation and maintenance along with periodic internal review of operational effectiveness and sustenance, and whether these are commensurate with the nature of its business and the size and complexity of its operations. This ensures orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records, the timely preparation of reliable financial information and prevention and detection of frauds and errors. Internal financial controls with reference to the financial statements were adequate and operating effectively.

23. Other disclosure under Section 134 of the Companies Act, 2013

Except as disclosed elsewhere in the report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of the financial year and the date of report.

The Board of Directors informs the member that during the financial year there has been no material changes, except as disclosed elsewhere in the report:

- In the nature of Company's business.
- Generally in the classes of business in which the Company has interest.

24. Directors' Responsibility Statement

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. The directors had prepared the annual accounts on a going concern basis; and
e. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. Remuneration Policy

None of the employees including managerial personnel draws in excess of the limits prescribed under section 197 (12) of the Companies Act, 2013 read with rules 5(2) and 5(3) of the companies (Appointment and Remuneration of Managerial Remuneration) Rules, 2014 which needs to be disclosed in the Director's Report.

26. Statutory Auditors

M/s. Manoj Choudhury & Associates, Chartered Accountants, Firm Registration No 327294E, had been appointed as the Statutory Auditors for a period of five (5) years at the Annual General Meeting of the Company held in FY2018-19 till the conclusion of the Annual General Meeting of the Company to be held in FY2023-24. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the Auditors needs to be placed for ratification at every subsequent Annual General Meeting since their first appointment. However, pursuant to the notification dated 07th May, 2018 of the Companies (Amendment) Act, 2017, the said appointment is not required to be ratified every year so long as the Auditors are eligible & qualified to be appointed. In this regard, the Company has received a communication from the Statutory Auditors to the effect that their appointment is in accordance with the provisions of Section 141 of the Companies Act, 2013, and hence their appointment is not required to be ratified

27. Auditor's Report

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and does not require any call for any further comments.

28. Corporate Governance

Your Company strives to attain high standards of corporate governance while interacting with all the stakeholders. The increasing diversity of the investing community and the integrated nature of global capital markets render corporate governance a vital issue for investors. The Company believes that timely disclosures, transparent accounting policies and a strong independent Board go a long way in maintaining good corporate governance, preserving shareholders trust and maximizing long term corporate value. In pursuit of corporate goals, the Company accords high importance to transparency, accountability and integrity in its dealings.

29. Compliance with Secretarial Standards

The Company is in compliance with all applicable Secretarial Standards as notified from time to time.

30. Appreciation:

Your directors take this opportunity to express their grateful appreciation for the continued support and cooperation received from our esteemed customers, vendors, dealers, Investors, business associates and bankers during the year. The directors are thankful to the company's shareholders, Central and State Government authorities, Regulatory Authorities for their consistent support to the company. Your company has been able to operate efficiently because of the culture of professionalism, Creativity, Integrity and continuous improvement in all functions and areas as well as efficient utilization of the company's recourses for sustainable & Profitable Growth.

Inspired by this Vision, driven by values and powered by internal vitality, your directors and employees look forward to the future with confidence and stand committed to creating an even brighter future for all stake holders.

For & on behalf of the Board of Directors of
IserveU Technology Private Limited

ISERVEU TECHNOLOGY PVT. LTD. Bhubaneswar

Amit

Debiprasad Sarangi

Mr. Amit Tyagi
Director
DIN:08317195

Mr. Debiprasad Sarangi
Director
DIN: 07601542

Date: July 28, 2021
Place: Bhubaneshwar

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors IserveU Technology Private Limited

Report on the Audit of Financial Results

Opinion

We have audited the financial statements of IserveU Technology Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss, the 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.

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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key audit matters

a) To the extent to which the Covid-19 pandemic will continue to impact the Company's financial results will depend on ongoing and future uncertain development.

b) Effective from 1st April 2020, the Company has adopted the Indian Accounting Standards ('Ind AS') notified by the Ministry of Companies Affairs with transition date of 1st April 2019.

Followings are the major impact areas for the company upon such transition:

i) Classification and measurement of financial assets and financial liabilities
ii) Accounting for loan fees and costs
iii) Accounting for actuarial gain / loss on postemployment benefit.

We identified transition date accounting as a key audit matter because of significant degree of Management judgment and application on the areas noted above.

Our opinion is not modified in respect of this matter.

MANOJ CHOUDHURY & ASSOCIATES CHARTERED ACCOUNTANTS BHUBANESWAR FRN 327294E 21/9/21

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Other Information

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

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 identified above when it becomes available 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. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's responsibility for the Financial Information

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibility for 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
CHARTERED ACCOUNTANTS
21/5/21

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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

As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 324294E
CHARTERED ACCOUNTANTS
24/8/21

f) We have sought and obtained all information with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls.

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

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

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

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

   iv. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For Manoj Choudhury & Associates
Chartered Accountants
ICAI Firm Registration No. 0327294E

MANOJ CHOUDHURY & ASSOCIATES BHUBANESWAR FRN 327294E CHARTERED ACCOUNTANTS
21/5/21

Niranjan Mohapatra
Partner
Membership No. 099882
UDIN: 21099882AAAAEC4429

Place: Bhubaneswar
Date: 29th May 2021

Annexure A to the Independent Auditor's Report of even date on the standalone financial statements of IserveU Technology Private Limited

The Annexure referred to in the Independent Auditor's Report to the members of IserveU Technology Private Limited (the 'Company') on the standalone financial statements for the year ended 31 March 2021, we report that:

(i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

b. The Company's fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

c. The Company does not have any immovable property held in its name. Accordingly, the provision of clause 3 (i) (c) of the Order is not applicable to the Company.

(ii) a. As explained to us, the inventories of Finished Goods were physically verified at regular intervals by the Management.

b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records.

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

(iv) According to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under section 185 and 186 of the Act. Accordingly, the provision of clause 3 (iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
CHARTERED ACCOUNTANTS

the Act and the rules framed there under apply. Accordingly, clause 3 (iv) of the Order is not applicable to the Company

(vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3 (vi) of the Order is not applicable.

(vii) a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, goods and service tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there has been a delay in few cases. As explained to us, the Company did not have any dues on account of employee's state insurance, duty of customs, duty of excise, sales tax, and value added tax.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

c. There are no dues of income tax and goods and service tax which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures.

(ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments), accordingly, clause 3 (ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the explanation and information given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
CHARTERED ACCOUNTANTS
21/5/21

compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of shares during the year under review.

In respect of above issue, we further report that:

(a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

(b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.

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

(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has applied for certificate of registration.

For Manoj Choudhury & Associates
Chartered Accountants
ICAI Firm Registration No. 0327294E

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
CHARTERED ACCOUNTANTS
21/5/21

Niranjan Mohapatra
Partner
Membership No. 099882
UDIN: 21099882AAAAEC4429

Place: Bhubaneswar
Date: 19th May 2021

Annexure A to the Independent Auditor's report on the financial statements of IserveU Technology Private Limited for the year ended 31 March 2021.

Report on the internal financial controls with reference to the aforesaid financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to the financial statements of IserveU Technology Private Limited (hereinafter referred to as the 'Company') , as of that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to the financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to the financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the 'Act').

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements were 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
CHARTERED ACCOUNTANTS

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 internal financial controls with reference to the financial statements.

Meaning of Internal Financial controls with Reference to the Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to the Financial Statements

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

For Manoj Choudhury & Associates
Chartered Accountants
ICAI Firm Registration No. 0327294E

MANOJ CHOUDHURY & ASSOCIATES BHUBANESWAR FRN 0327294E CHARTERED ACCOUNTANTS

Niranjan Mohapatra
Partner
Membership No. 099882
UDIN: 21099882AAAAEC4429

Place: Bhubaneswar
Date: 19th May 2021

Iserveu Technology Private Limited

Standalone Balance Sheet as at 31st March 2021

(Amount in ₹ lakhs)

Particulars	Notes	As at 31st March, 2021	As At 31st March 2020	As At 1st April 2019
ASSETS				
Non-current assets				
Property,Plant and Equipment	Note 12	46.80	26.30	10.36
Right of use Asset	Note 4	49.24	46.08	28.01
Intangible assets	Note 12	10.28	8.86	8.76
Intangible assets under development				
Financial Assets				
i. Investments				
Other non- current assets	Note 8	5.65	5.53	1.13
Total non-current assets		**111.97**	**86.76**	**48.26**
Current assets				
Inventories	Note 5	91.82	0.55	38.47
Financial assets				
i. Investments				
ii. Trade receivables	Note 6	50.33	25.56	17.76
iii. Cash and cash equivalents	Note 7	2,169.42	567.54	229.22
iv. Loans	Note 9	25.40	14.50	-
Other current assets	Note 10 & 11	1,048.54	870.69	403.79
Total current assets		**3,385.50**	**1,478.85**	**689.25**
Total assets		**3,497.47**	**1,565.61**	**737.51**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	Note 21(a)	2.32	2.00	2.00
Other equity	Note 21(b)	1,720.06	76.43	55.90
Total equity		**1,722.38**	**78.43**	**57.90**
Liabilities				
Non-current liabilities				
Total non-current liabilities				
Current liabilities				
Financial liabilities				
i.Borrowings	Note 22	7.00	540.59	157.70
ii.Trade Payables	Note 23	82.12	13.40	0.60
iii.Other financial liabilities	Note 23	1,524.49	724.33	492.04
Other current liability	Note 24	161.49	208.87	29.27
Total current liabilities		**1,775.09**	**1,487.18**	**679.61**
Total liabilities		**1,775.09**	**1,487.18**	**679.61**
Total equity and liabilities		**3,497.47**	**1,565.61**	**737.51**

See also Accompanying Notes to Accounts 1 to 39

In terms of our report of even date

For Manoj Choudhury & Associates
Chartered Accountants
FRN: 0327294E

CA. Niranjan Mohapatra
Partner
Membership No. : 099882
UDIN : 21099882AAAAEC4429

MANOJ CHOUDHURY & ASSOCIATES BHUBANESWAR FRN 327294E

For and on behalf of the Board of Directors of
ISERVEU TECHNOLOGY PVT. LTD.

Debiprasad Sarangi

Mr. Debiprasad Sarangi DIRECTOR
Director
DIN : 07601542

ISERVEU TECHNOLOGY PVT. LTD.

Mr. Amit Tyagi DIRECTOR
Director
DIN : 08317195

Mr. Tashwinder Harjap Singh
Director
DIN : 06572282

Mr. Rumit Dugar
Director
DIN : 06869856

Iserveu Technology Private Limited

Standalone statement of Profit and Loss for the period ended 31st March 2021

(Amount in ₹ lakhs)

Particulars	Notes	For the Year Ended March 21	For year ended 31st March 2020
Revenue from operations	Note 13	4,206.80	2,216.11
Other income	Note 14	1.62	15.16
Total income		**4,208.42**	**2,231.28**
Expenses			
Cost of Services	Note 15	3,260.44	1,632.58
Change in Inventories of Stock In Trade	Note 16	(91.26)	37.91
Employee benefit expense	Note 17	455.20	232.20
Finance cost	Note 18	117.23	185.44
Depreciation expense	Note 19	28.84	14.09
Other expenses	Note 20	384.80	100.03
Total expenses		**4,155.24**	**2,202.25**
Profit before tax		**53.18**	**29.03**
Income tax expense			
- Current tax		37.83	7.55
- Deferred tax Liability (Assets)		(24.00)	0.95
Total tax expense		**13.83**	**8.49**
Profit for the year		**39.35**	**20.53**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Reameasurements of defined benefit plans		-	
Tax relating to above			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**39.35**	**20.53**
Earnings per equity share (Face value Rs 10 per share)		**₹ 186.77**	**₹ 102.66**

See also Accompanying Notes to Accounts 1 to 39

For and on behalf of the Board

ISERVEU TECHNOLOGY PVT. LTD.

Debiprasad Sarangi

ISERVEU TECHNOLOGY PVT. LTD.

DIRECTOR

For Manoj Choudhury & Associates
Chartered Accountants
FRN: 0327294E

MANOJ CHOUDHURY & ASSOCIATES CHARTERED ACCOUNTANTS BHUBANESWAR FRN 327294E

CA. Niranjan Mohapatra
Partner
Membership No. : 099882
UDIN : 21099882AAAAEC4429
Bhubaneswar, 21st May, 2021

Mr. Debiprasad Sarangi
Director
DIN : 07601542

Mr. Amit Tyagi
Director
DIN : 08317195

Mr. Tashwinder Harjap Singh
Director
DIN : 06572282

Mr. Rumit Dugar
Director
DIN : 06869856

Iserveu Technology Private Limited
Cash flow statements for the year ended 31 March 2021
CIN : U72900OR2016PTC025851

(Amount in ₹ lakhs)

	As At 31st March 2021	As At 31st March 2020
Cash flow from operating activities		
Profit before tax from continuing operations	53.18	29.03
Profit before tax from discontinuing operations	-	-
Profit before tax	53.18	29.03
Adjustment to reconcile profit before tax to net cash flows	-	-
Depreciation/ amortization on continuing operations	28.84	14.09
Depreciation/ amortization on discontinuing operations	-	-
Loss/ (profit) on sale of fixed assets	-	-
Provision for diminution in value of investments in subsidiary company	-	-
Decrease / (Increase) in profit due to Ind As Adjustments	-20.52	-13.86
Interest expense	57.94	117.25
Interest (income)	-0.74	-1.49
Prior period expenses		
Operating profit before working capital changes	118.69	145.02
Movements in working capital :		
Increase/ (decrease) in trade payables	68.72	12.80
Increase / (decrease) in other current liabilities	504.54	379.63
Increase / (decrease) in Provisions	246.54	14.44
Decrease / (increase) in trade receivables	-8.88	-7.80
Decrease / (increase) in inventories	-91.26	37.91
Decrease / (increase) in loans and advances	-48.22	-135.70
Decrease / (increase) in other current assets	-73.29	-253.18
Cash generated from /(used in) operations	716.85	193.10
Direct taxes (net of refunds)	-97.89	-104.79
Net cash flow from/ (used in) operating activities (A)	618.96	88.31
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	-32.15	-22.05
Sale of Fixed Asset	-	-
Decrease in Security Deposit		
Rent Income	-	-
Investments	-	-
Interest received	0.36	0.75
Net cash flow from/ (used in) investing activities (B)	-31.79	-21.30
Cash flows from financing activities		
Proceeds from issuance of equity share capital	1,604.59	-
Proceeds from long-term borrowings	-	-
Repayment of long-term borrowings	-	-
Proceeds from short-term borrowings		394.07
Decrease in Bank Loan	-	
Repayment of short-term borrowings	-538.57	-7.59
Interest paid	-51.31	-115.18
Net cash flow from/ (used in) in financing activities (C)	1,014.72	271.30
Net increase/(decrease) in cash and cash equivalents (A + B + C)	1,601.88	338.32
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	
Cash and cash equivalents at the beginning of the year	567.54	229.22
Cash and cash equivalents at the end of the year	2,169.42	567.54
Components of cash and cash equivalents		
Cash in hand	0.12	0.12
Cheques/ drafts on hand		-
With banks- in current account	2,169.31	567.43
Total cash and cash equivalents (note 12)	2,169.42	567.54
	0.00	-0.00

As per our report of even date

For Manoj Choudhury & Associates
Chartered Accountants
FRN: 032294E

MANOJ CHOUDHURY & ASSOCIATES BHUBANESWAR FRN 327294E CHARTERED ACCOUNTANTS

CA. Niranjan Mohapatra
Partner
Membership No. : 099882
UDIN : 21099882AAAAEC4429
Bhubaneswar, 21st May, 2021

For and on behalf of the Board of Directors

ISERVEU TECHNOLOGY PVT. LTD.
Debiprasad Sarangi
DIRECTOR

Mr. Debiprasad Sarangi
Director
DIN : 07601542

ISERVEU TECHNOLOGY PVT. LTD.
DIRECTOR

Mr. Amit Tyagi
Director
DIN : 08317195

Mr. Tashwinder Harjap Singh
Director
DIN : 06572282

Mr. Rumit Dugar
Director
DIN : 06869856

Iserveu Technology Private Limited

Accompanying notes to the finanical statements for the period ended March 31, 2021

CIN : U72900OR2016PTC025851

Financial Year 2020-21

Note 12 : Property,Plants & Equipments

(Amount in ₹ lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2020	Additions during the Year	Deductions during the year	As at Mar 31, 2021	Up to March 31, 2020	Depreciation charge for the year	Deductions during the year	Up to Mar 31, 2021	As at Mar 31, 2021	As at March 31, 2020
Tangible Assets										
Office Equipments	4.11	3.27	-	7.38	1.11	1.11	-	2.22	5.16	3.00
Network Equipments	10.70		-	10.70	0.43	0.78	-	1.21	9.49	10.27
Computer Equipments	16.48	26.23	-	42.71	6.10	6.83	-	12.94	29.77	10.38
Furnitures & Fixtures	2.94	-	-	2.94	0.29	0.28	-	0.57	2.37	2.65
Intangible Asset										
Web Platform	9.85	0.99	-	10.84	2.19	0.98	-	3.17	7.67	7.67
Software Development	1.20	1.66	-	2.86	0.01	0.25	-	0.26	2.60	1.19
Total	**45.29**	**32.15**	-	**77.44**	**10.13**	**10.24**	-	**20.37**	**57.07**	**35.16**

Iserveu Technology Private Limited

Accompanying notes to the finanical statements for the year ended March 31, 2021

Note 21 - Equity Share capital and other equity

21(a) Equity share capital

(i) Issued and paid Up equity share capital

(Amount in ₹ lakhs)

Particulars	Number of shares	Equity share capital
As At 31st March 2021 (23,209 No. of equity shares of Rs. 10 each, fully paid)	23,209	2.32
As at 31st March 2020 (20,000 No. of equity shares of Rs. 10 each, fully paid)	20,000	2.00
As at 1st April 2019 (20,0000 No. of equity shares of Rs. 10 each, fully paid)	20,000	2.00

(ii) Movements in equity share capital

Particulars	Number of shares	Equity share capital
Equity Share Capital As at 1st April 2020	20,000	2.00
As At 01st December 2020 - Issue of new 3209 shares with Face value Rs. 10/- per share and Issue Price Rs. 51,002.91775/- per share.	3,209	0.32
Equity Share Capital As at 31st March 2021	23,209	2.32
As at 31st March 2020 (20,000 No. of equity shares of Rs. 10 each, fully paid)	20,000.00	2.00
As at 1st April 2019 (20,0000 No. of equity shares of Rs. 10 each, fully paid)	20,000.00	2.00

Terms and rights attached to equity shares

The Company has only one class of Equity shares having a par value of 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

(iii) Share of the company held by holding company

Particulars	As at 31st March, 2021	As At 31st March 2020	As At 1st April 2019
11,837 no. of Equity shares of ₹ 10 each, fully paid-up held by Niyogin Fintech Limited	1.18	-	-
Total	**1.18**	-	-

(iv) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31st March, 2021		As At 31st March 2020		As At 1st April 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Debashis Mohapatra	1280	5.52%	10,000	50.00%	10,000	0.5
Debi Prasad Sarangi	6252	26.94%	10,000	50.00%	10,000	0.5
Amit Tyagi	1280	5.52%	-	0.00%	-	0.00%
Sanjib Parida	1280	5.52%	-	0.00%	-	0.00%
Umakanta Sahoo	1280	5.52%	-	0.00%	-	0.00%
Niyogin Fintech Limited	11837	51.00%	-	0.00%	-	0.00%
Total	**23,209**	**100.00%**	**20,000**	**100.00%**	**20,000**	**100.00%**

Note: There are no shares issued for consideration other than cash

MANOJ CHOUDHURY & ASSOCIATES * CHARTERED ACCOUNTANTS * BHUBANESWAR FRN 327294E 28/5/21

21(b) Other Equity

Particulars	As at 31st March, 2021	As At 31st March 2020	As At 1st April 2019
Securities premium reserve	1,604.27	-	-
Grant Received	5.00	5.00	5.00
Retained Earnings	110.78	71.43	50.90
Equity component of compulsory convertible preference shares			
Total other equity	**1,720.06**	**76.43**	**55.90**

(i) Securities premium reserve account

Particulars	As at 31st March, 2021	As At 31st March 2020	As At 1st April 2019
Opening balance	-	-	-
Addition during the year on issue of shares-	1,604.27	-	-
Closing balance	**1,604.27**	**-**	**-**

ii) Grant Received

Particulars	As at 31st March, 2021	As At 31st March 2020	As At 1st April 2019
Opening balance	5.00	5.00	5.00
Addition during the year			
Reduction during the year on issue of shares			
Closing balance	**5.00**	**5.00**	**5.00**

(iii) Retained Earnings

Particulars	As at 31st March, 2021	As At 31st March 2020	As At 1st April 2019
Opening balance	71.43	50.90	50.90
Net Profit for the period	39.35	20.53	-
Interim dividend paid (including dividend distribution tax)			
Items of other comprehensive income recognised directly in retained earnings			
- Remeasurements of defined benefit obligation, net of tax			
Closing balance	**110.78**	**71.43**	**50.90**

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
CHARTERED ACCOUNTANTS
21/5/21

Iserveu Technology Private Limited

Accompanying notes to the finanical statements for the period ended March 31, 2021

Note 4 - Right of Use Asset

(Amount in ₹ lakhs)

Particulars	As at 31st March, 2021	As At 31st March 2020	As At 1st April 2019
Right of use	49.24	46.08	28.01
Total	49.24	46.08	28.01

Note 5 - Inventories

Particulars	As at 31st March, 2021	As At 31st March 2020	As At 1st April 2019
Stock in Trade	91.82	0.55	38.47
Total	91.82	0.55	38.47

Note 6 - Trade Receivables

Particulars	As at 31st March, 2021	As At 31st March 2020	As At 1st April 2019
Trade receivables	50.33	25.56	17.76
Less: Provision for doubtful debts			
Total	50.33	25.56	17.76

Note 7 - Cash and cash equivalents

Particulars	As at 31st March, 2021	As At 31st March 2020	As At 1st April 2019
Cash on hand	0.12	0.12	0.02
Balances with banks:			
- In Current accounts	2,169.31	567.43	229.21
Total	2,169.42	567.54	229.22

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Note 8 - Other non- current assets

Particulars	As at 31st March, 2021	As At 31st March 2020	As At 1st April 2019
Security deposits	5.65	5.53	1.13
Total	5.65	5.53	1.13

MANOJ CHOUDHURY & ASSOCIATES CHARTERED ACCOUNTANTS BHUBANESWAR FRN 327294E 21/5/21

Note 9 - Loans

Particulars	As at 31st March, 2021	As At 31st March 2020	As At 1st April 2019
Current			
Loan to Employees			
Other loans	25.40	14.50	-
Total	**25.40**	**14.50**	-

Note 10 - Other current assets

Particulars	As at 31st March, 2021	As At 31st March 2020	As At 1st April 2019
Prepaid Expenses	6.24	1.35	-
Advance against salary	0.45	0.04	-
Advance Tax (Net of Provisions)	157.30	113.13	15.88
Total	**164.00**	**114.51**	**15.88**

Other amount in TDS is covered in statutory dues.

Note 11 - Other financial assets

Particulars	As at 31st March, 2021	As At 31st March 2020	As At 1st April 2019
Advance to parties	159.70	120.23	1.62
Advance Recoverable In cash or kind	701.96	633.39	386.28
Other financial assets	-	2.56	-
Deferred Tax Assets	22.89		
Total	**884.54**	**756.18**	**387.91**

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
21/5/21
CHARTERED ACCOUNTANTS

Iserveu Technology Private Limited

Accompanying notes to the finanical statements for the year ended March 31, 2021

Note 22 -Borrowings

(Amount in ₹ lakhs)

Particulars	As at 31st March, 2021	As At 31st March 2020	As At 1st April 2019
Unsecured Loans			
Loan from Directors	7.00	9.85	9.85
Loan from Bank	-	13.99	21.40
Loan from Others	0.00	516.75	126.44
Secured Loans			
Loan from KIIT	-	-	-
Total	**7.00**	**540.59**	**157.70**

Note 23 - Other liabilities

Particulars	As at 31st March, 2021	As At 31st March 2020	As At 1st April 2019
Current			
Statutory Dues	48.83	208.87	29.27
Other Payables	112.66		
Total	**161.49**	**208.87**	**29.27**

Note 24 - Other financial liabilities

Particulars	As at 31st March, 2021	As At 31st March 2020	As At 1st April 2019
Current			
Creditors for expenses	82.12	13.40	0.60
Liabilities Towards Channel Partners*	1,123.55	570.72	371.59
Provision for Expenses	350.09	103.55	89.11
Advance from customer	-	0.90	-
Lease Liability	50.85	45.07	30.04
Deferred Tax liability	-	1.12	0.17
Deferred Income on Government Grant	0.00	2.97	1.13
Total	**1,606.61**	**737.72**	**492.64**

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
CHARTERED ACCOUNTANTS
21/5/21

Iserveu Technology Private Limited

Accompanying notes to the finanical statements for the Period ended March 31, 2021

Note 13 - Revenue from operations

(Amount in ₹ lakhs)

Particulars	For the Year Ended March 21	For year ended 31st March 2020
Device Sales	272.73	228.94
Commission Income	3,738.42	1,886.25
One time Set Up Fees	195.66	100.93
Total	**4,206.80**	**2,216.11**

Note 14 - Other income

Particulars	For the Year Ended March 21	For year ended 31st March 2020
Discount Received	0.06	0.02
Interest on Loan / Advance	-	0.75
Marketing Fees	0.52	1.03
Roundoff	(0.00)	0.00
Technology Solution	-	8.70
Modification Gain on Leases	-	3.77
Interest income on security deposit	0.30	0.15
Interest on Income Tax Refund	0.36	-
Deferred Income	0.39	0.74
Total	**1.62**	**15.16**

Note 15 - Cost of Services

Particulars	For the Year Ended March 21	For year ended 31st March 2020
Cost of Services & Purchases for Stock	3,260.44	1,632.58
Total	**3,260.44**	**1,632.58**

Note 16 - Change in Inventories of Stock In Trade

Particulars	For the Year Ended March 21	For year ended 31st March 2020
Opening stock	0.55	38.47
Less : Closing Stock	91.82	0.55
Total	**(91.26)**	**37.91**

Note 17 - Employee benefit expenses

Particulars	For the Year Ended March 21	For year ended 31st March 2020
Salaries, wages, bonus etc.	443.69	226.62
EPF (Employer Contr.)	5.26	2.66
Staff welfare expenses	2.25	2.92
Gratuity Expense	4.00	-
Total	**455.20**	**232.20**

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
CHARTERED ACCOUNTANTS
21/5/21

Note 18 - Finance cost

Particulars	For the Year Ended March 21	For year ended 31st March 2020
Interest on loan	53.70	32.75
Interest expenses on lease liability	4.24	3.08
Bank Charges	59.29	69.24
Bill discounting expenses	-	80.37
Total	117.23	185.44

Note 19 - Depreciation expenses

Particulars	For the Year Ended March 21	For year ended 31st March 2020
Amortization of ROU	18.60	8.08
Depreciation	10.24	6.01
Total	**28.84**	**14.09**

Note 20 - Other Expenses

Particulars	For the Year Ended March 21	For year ended 31st March 2020
Advertisement Charges	15.29	1.94
Interest on GST	10.15	2.44
Office Repair & Maintenance	15.95	17.07
Communication expenses	17.67	6.40
Certification	2.14	5.42
Rent expenses	8.70	4.92
IT expenses	66.77	6.92
Travelling Expenses	11.77	7.15
Auditors Remuneration	3.01	0.75
Legal & professional fees	209.02	9.18
Rates & Tax	-	0.34
Brokerage charges	3.35	-
Servicing charges	6.78	25.94
Miscellaneous Expenses	14.20	11.56
Total	**384.80**	**100.03**

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
CHARTERED ACCOUNTANTS
21/8/21

Debi Amit

Iserveu Technology Private Limited

Notes forming part of the standalone financial statements
for the year ended 31 March 2021

(Amount in ₹ lakhs)

1. **CORPORATE INFORMATION**

IserveU Technology Private Limited ('the Company') has been issued a Certificate of Incorporation dated 27 Sep 2016. It is a FinTech Startup, innovating the next-gen payment solutions by creating a connectivity between remotely located un-banked/under-banked masses with basic financial services through technology driven agent network.
iServeU is a DIPP certified Fin Tech Company registered under The Start-up India program of Government of India, supported by NSTDEB, pledging towards making India a financial inclusive society. It has spent 5 years and more and has successfully run several technology solutions in partnership with Banks, NBFCs, Financial Institution Players and Corporate Business Correspondents.

2. **SIGNIFICANT ACCOUNTING POLICIES**

2.1 **BASIC OF PREPARATION**

A **Statement of compliance**

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (the 'Ind AS') prescribed under section 133 of the Companies Act, 2013 (the 'Act').

For all periods up to and including the year ended 31 March 2020 the Company had prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These standalone financial statements for the year ended 31 March 2021 are the Company's first financial statements prepared in accordance with Ind AS.

B **Basis of measurement**

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

- certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- assets held for sale- measured at fair value less cost to sell;
- defined benefit plans- plan assets measured at fair value; and
- share based payments

The Company presents assets and liabilities in the balance sheet based on current /noncurrent classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting date, 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

All other assets are classified as non-current

A liability is current when:

- It is expected to be settled in normal operating cycle
- 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

All other liabilities are classified as non –current.

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

Based on the nature of products and services offered by the Company, operating cycle determined is 12 months for the purpose of current and non-current classification of assets and liabilities

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
21/5/21
CHARTERED ACCOUNTANTS

Iserveu Technology Private Limited

Notes forming part of the standalone financial statements
for the year ended 31 March 2021

C Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the 'functional currency'). The values are rounded to the nearest rupees, except

D Use of estimates, judgements and assumptions

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are the areas that involved a higher degree of estimates and judgement or complexity in determining the carrying amount of some assets and liabilities.

a) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models.

b) Effective interest rate ('EIR') method

The Company's EIR methodology recognises interest expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well as expected changes to interest rates and other fee expense that are integral parts of the instrument.

MANOJ CHOUDHURY & ASSOCIATES CHARTERED ACCOUNTANTS BHUBANESWAR FRN 327294E 21/8/21

2.1 **BASIS OF PREPARATION** *(Continued)*

D **Use of estimates, judgements and assumptions** *(Continued)*

c) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss ('ECL') calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

(i) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ('LTECL') basis.

(ii) Development of ECL models, including the various formulas and the choice of inputs.

(iii) Determination of associations between macroeconomic scenarios and economic inputs as gross domestic products, and the effect on probability of default ('PD'), exposure at default ('EAD') and loss given default ('LGD').

(iv) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs

d) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
24/5/21
CHARTERED ACCOUNTANTS

Iserveu Technology Private Limited

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 March 2021

(Amount in ₹ lakhs)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 PRESENTATION OF STANDALONE FINANCIAL STATEMENTS

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business

ii) The event of default

A Financial instrument - initial recognition

a Date of recognition

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

b Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instrument. Financial instruments are initially measured at their fair value. Transaction costs are added to, or subtracted from this amount at initial recognition except in the case of financial assets and financial liabilities recorded at FVTPL Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

c Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's

i) Amortised cost
ii) FVOCI
iii) FVTPL

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
21/5/21
CHARTERED ACCOUNTANTS

B Financial assets and liabilities

a. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Accordingly, financial assets are measured as follows:

(i) Financial assets carried at amortised cost ('AC')

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii Financial assets measured at FVOCI
)

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii Financial assets measured at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

MANOJ CHOUDHURY & ASSOCIATES
CHARTERED ACCOUNTANTS
BHUBANESWAR
FRN 327294E
21/5/21

b **Financial liabilities**

- **Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method.

c **Reclassification of financial assets and liabilities**

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31 March 2021 and 31 March 2020.

C **Derecognition of financial assets and liabilities**

a **Financial assets**

(i) **Derecognition of financial assets due to substantial modification of terms and conditions**

The Company derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new term, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

D **Derecognition of financial assets and liabilities *(Continued)***

a **Derecognition of financial assets other than due to substantial modification**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

b **Financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where 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 a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
21/5/21
CHARTERED ACCOUNTANTS

Iserveu Technology Private Limited

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 March 2021

3 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

E **(I) Recognition of other expense**

- **Borrowing costs**

Borrowing costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

F **Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

G **Property, plant and equipment**

Property, plant and equipment ('PPE') are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated.

The estimated useful lives are, as follows:

i) Computer Equipments - 3 years
ii) Office equipment - 5 years
iii) Furniture and fixtures - 10 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on

H **Intangible assets**

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

I **Impairment of non financial assets - property, plant and equipments and intangible assets**

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

MANOJ CHOUDHURY & ASSOCIATES * CHARTERED ACCOUNTANTS * BHUBANESWAR FRN 327294E 21/5/21

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

J Leases

Ind AS 116 - Leases sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The company has opted for two recognition exemptions for lessees :

– leases of 'low-value' assets (e.g., personal computers)
– and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset (cost model).

The Company has Lease agreements for taking office premises along with furniture and fixtures as applicable and premises on rental basis range of 36 months to 60 months wherein the Company is a lessee.

3.2 Retirement and other employee benefits

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered

3.3 Retirement and other employee benefits *(Continued)*

Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
CHARTERED ACCOUNTANTS
24/5/21

Iserveu Technology Private Limited

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 March 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.4 Provisions, contingent liabilities and contingent assets

A. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised not disclosed in the financial statements.

3.5 Taxes

A. Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

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). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

A deferred tax asset is recognised for the carryforward of unused tax losses and accumulated depreciation to the extent that it is probable that future taxable profit will be available against which the unused tax losses and accumulated depreciation can be utilised.

Deferred 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 items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
CHARTERED ACCOUNTANTS

Iserveu Technology Private Limited

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 March 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.5 Taxes *(Continued)*

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.6 Earnings per share

Basic earnings per share ('EPS') is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.7 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when the it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.8 Cash flow statement

Cash flows are reported using the indirect method as prescribed under Ind AS 7, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
CHARTERED ACCOUNTANTS

Iserveu Technology Private Limited

Notes forming part of the standalone financial statements *(Continued)*
for the year ended 31 March 2021

(Amount in ₹ lakhs)

	Particulars	Year Ended 31 March 2021	Year ended 31 March 2020
25	**Earnings per share (EPS)**		
a)	**The basic earnings per share has been calculated based on the following:**		
	Net profit after tax available for equity shareholders	**39.35**	20.53
	Weighted average number of equity shares	**21,070**	20,000
b)	**The reconciliation between the basic and the diluted earnings per share is as follows:**		
	Basic earnings per share (₹)	**186.77**	102.66
	Effect of dilution	-	-
	Diluted earnings per share (₹)	**186.77**	**102.66**
c)	Weighted average number of equity shares is computed for the purpose of calculating diluted earning per share, after giving the dilutive impact of the outstanding stock options for		
	Weighted average number of shares for computation of Basic EPS	**21,070**	20,000
	Dilutive effect of outstanding stock options		
	Dilutive effect of Contingent Consideration		-
	Anti Dilutive potential outstanding stock options	-	-
	Anti Dilutive potential Contingent Consideration	-	-
	Weighted average number of shares for computation of Diluted EPS	**21,070**	20,000

MANOJ CHOUDHURY & ASSOCIATES * CHARTERED ACCOUNTANTS * BHUBANESWAR FRN 327294E 21/5/21

Iserveu Technology Private Limited

Notes forming part of the standalone financial statements *(Continued)*
for the year ended 31 March 2021
(Amount in ₹ lakhs)

26 Contingent liabilities and commitments (to the extent not provided for)

(A) Contingent liabilities

There are no contingent liabilities as at 31st March 2021 (As at 31st March 2020: Nil) (As at 01st April 2019 : Nil).

(B) Commitments

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
I) Estimated amount of contracts remaining to be executed on capital account and			
Property, plant and equipment	-	-	-
Intangible assets	-	-	-

27 Leases :

Disclosures as required under IND AS 116 - Leases

a) On adoption of Ind AS 116, the Company has recognized lease liabilities for all leases which were previously classified as operating leases under earlier GAAP. Ind AS 116 does not provide classification of leases into operating and finance lease for the lessee accounting. The lease liability is measured at present value of the lease payments discounted at incremental borrowing rate as on 1 April 2019. The lessee's incremental rate applied to these lease liabilities on 1 April 2019 is 11%.
Lease liabilities is disclosed under the "Other financial liabilities"

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on lease liability	4.24	3.08
Total	4.24	3.08

b) The Company has recognised Right of use (ROU) assets corresponding to the lease liabilities as per the requirements of Ind AS 116. The ROU assets are amortized at SLM basis over the lease term.Reconciliation of Carrying amount of Right of use asset for a lessee as per IND AS 116 :

Particulars	Amount in ₹ Crores
As at 01 April 2019	-
(+) Recognition of Right of use asset during the year	54.16
(-) Amortisation of Right of use asset	8.08
As at 31 March 2020	46.08
(+) Recognition of Right of use asset during the year	21.76
(-) Amortisation of Right of use asset	18.60
As at 31 March 2021	49.24

e) Cash outflow on lease. (Refer Cash flow statement)

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
21/5/21
CHARTERED ACCOUNTANTS

28 Corporate social responsibility ('CSR') expenses:

Provisions of Section 135 of the Act are not applicable to the Company.

29 Segment reporting:

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Business Correspondance Services" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

30 Related party disclosures:

(a) Related party disclosures as required by Ind AS 24 - Related Party Disclosures.

List of related parties and relationships:

Sr. No.	Nature of relationship
1	Holding Company Niyogin Fintech Limited
2	Key management personnel DebiPrasad Sarangi Amit Tyagi Sanjib Parida Umakanta Sahoo Debashish Mohapatra

Transactions with related parties are as follows:

(Amount in ₹ lakhs)

	Year ended 31 March 2021		
	Holding Company	Key management personnel	Total
Revenue Recognized (Share of Commission Income)	0.83		0.83
Director / KMP Remuneration			-
Mr. DebiPrasad Sarangi		9.17	9.17
Mr. Amit Tyagi		9.17	9.17
Mr. Sanjib Parida		9.17	9.17
Mr. Umakanta Sahoo		9.17	9.17
Mr. Debashish Mohapatra		9.17	9.17
			-

	Year ended 31 March 2020	
	Key management personnel	Total
Director Remuneration		
Mr. Debiprasad Sarangi	7.59	7.59
Mr. Debashis Mohapatra	7.59	7.59
Mr. Amit Tyagi	4.01	4.01
Mr. Sambeet Samant Sinhar	1.62	1.62

Balances outstanding from related parties are as follows:

	As at 31 March 2021		
	Holding Company	Key management personnel	Total
Revenue Recongized	0.83		0.83
Director Remuneration (Payable as at 31st March 2021)			
Mr. DebiPrasad Sarangi		0.76	0.76
Mr. Amit Tyagi		0.76	0.76
Mr. Sanjib Parida		0.76	0.76
Mr. Umakanta Sahoo		0.76	0.76
Mr. Debashish Mohapatra		0.76	0.76
Loan From Directors			
Mr. DebiPrasad Sarangi		7.00	7.00

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
CHARTERED ACCOUNTANTS

30 Related party disclosures: *(Continued)*

(a) Related party disclosures as required by Ind AS 24 - Related Party Disclosures.*(Continued)*

Balances outstanding from related parties are as follows: *(Continued)*

(Amount in ₹ lakhs)

As at 31 March 2020	Key management personnel	Total
Loan From Directors		
Mr. DebiPrasad Sarangi	7.00	7.00
Mr. Debashis Mohapatra	2.85	2.85

As at 1 April 2019	Key management personnel	Total
Loan From Directors		
Mr. DebiPrasad Sarangi	7.00	7.00
Mr. Debashis Mohapatra	2.85	2.85

All transactions with these related parties are priced on an arm's length basis. None of the balances is secured.

30 Related party disclosures: *(Continued)*

(b) Disclosures as per Regulation 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015).

Loans and advances in the nature of loans to companies in which directors are interested as under:

(Amount in ₹ lakhs)

Sr. No.	Name	As at 31 March 2021	Maximum balance out-standing during the year ended 31	As at 31 March 2020	Maximum balance out-standing during the year ended 31	As at 1 April 2019
1	Mr. Debiprasad Sarangi	7.00	7.00	7.00	7.00	7.00
2	Mr. Debashis Mohapatra	-	-	2.85	2.85	2.85

31 Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 are given below: There are no transactions with Micro and Small and Medium Enterprises during Financial Year 2020-21 (2019-20 :Nil)

(Amount in ₹ lakhs)

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Principal amount payable to suppliers as at year-end	-	-	-
Interest due thereon as at year end	-	-	-
Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the	-	-	-
Amount of delayed payment actually made to suppliers during the year	-	-	-
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 MSMED Act, 2006	-	-	-
Interest accrued and remaining unpaid at the end of the year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure	-	-	-

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
CHARTERED ACCOUNTANTS

(Amount in ₹ lakhs)

32 **Employee benefit plan**

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

(a) Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating ₹ 2.66 lakhs (31 March 2020: ₹ 2.66 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plan:

Gratuity

Financial assets not measured at fair value

The Company operates a defined benefit plan (the 'gratuity plan') covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The status of gratuity plan as required under Ind AS-19 is as under:

(Amount in ₹ lakhs)

	As at 31 March 2021	As at 31 March 2020
i. Reconciliation of opening and closing balances of defined benefit		
Present value of defined benefit obligations at the beginning of the year	-	-
Current service cost	4.00	-
Past service cost	-	-
Interest cost	-	-
Acquisition adjustment	-	-
Benefit paid	-	-
Change in demographic assumptions	-	-
Change in financial assumptions	-	-
Experience variance (i.e. Actual experience vs assumptions)	-	-
Present value of defined benefit obligations at the end of the year	4.00	-
ii. Reconciliation of opening and closing balances of the fair value of	-	-
Fair value of plan assets at the end of the year	-	-
iii. Reconciliation of the present value of defined benefit obligation and fair value of plan assets		
Present value of defined benefit obligations at the end of the year	4.00	-
Fair value of plan assets at the end of the year	-	-
Unrecognised past service cost	-	-
hoh5		
Net asset / (liability) recognized in the balance sheet as at the end of the	(4.00)	-

MANOJ CHOUDHURY & ASSOCIATES
CHARTERED ACCOUNTANTS
BHUBANESWAR
FRN 321294E
21/5/21

Iserveu Technology Private Limited

Notes forming part of the standalone financial statements *(Continued)*

for the year ended 31 March 2021

(Amount in ₹ lakhs)

32 Employee benefit plan

(b) Defined benefit plan: *(Continued)*

Gratuity *(Continued)*

Financial assets not measured at fair value *(Continued)*

	For the year ended 31	For the year ended 31
iv. Expense recognised during the Year		
Current service cost	4.00	-
Interest cost	-	-
Past service cost	-	-
Expenses recognised in the statement of profit and loss	4.00	-
v. Other comprehensive income		
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	-	-
Due to change in demographic assumption	-	-
Due to experience adjustments	-	-
Return on plan assets excluding amounts included in interest income	-	-
Components of defined benefit costs recognised in other comprehensive	-	-

	As at 31 March 2021	As at 31 March 2020
vi. Principal actuarial assumptions		
Discount rate (per annum)	7.00%	7.50%
Annual increase in salary cost	7.00%	7.00%
Withdrawal rates per annum		
21 to 30	15.00%	15.00%
31 to 34	10.00%	10.00%
35 to 44	5.00%	5.00%
45 to 50	3.00%	3.00%
51 to 54	2.00%	2.00%
55 to 57	1.00%	1.00%

The discount rate is based on the prevailing market yields of Government of India's bond as at the balance sheet date for the estimated term of the obligations.

vii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase . The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (- / + 0.5%)	7.50%	6.50%	8.00%	7.00%
(% change compared to base due to sensitivity	-10.70%	12.49%	-5.74%	6.20%
Salary growth rate (- / + 0.5%)	7.50%	6.50%	7.50%	6.50%
(% change compared to base due to sensitivity)	12.37%	-10.80%	6.20%	-5.79%

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
24/5/21
CHARTERED ACCOUNTANTS

Iserveu Technology Private Limited

Notes forming part of the standalone financial statements ***(Continued)***
for the year ended 31 March 2021

(Amount in ₹ lakhs)

32 Employee benefit plan ***(Continued)***

s **(b) Defined benefit plans:** ***(Continued)***

viii. Effect of plan on the Company's future cash flows

a) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at valuation date is 11.63 years.

	Cash flows (₹)	Distribution (%)
Expected cash flows over the next (valued on undiscount		
1st Following Year	0.08	0.11%
2nd Following year	0.38	0.55%
3rd Following Year	1.06	1.54%
4th Following Year	1.35	1.96%
5th Following Year	1.37	2.00%
6th Following Year	7.18	10.45%
7th Following Year	1.16	1.70%
8th Following Year	1.13	1.65%
8th Following Year	1.11	1.62%
Sum of years 10 and above	53.86	78.42%

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
21/5/21
CHARTERED ACCOUNTANTS

Iserveu Technology Private Limited

Notes forming part of the standalone financial statements *(Continued)*
for the year ended 31 March 2021

(Amount in ₹ lakhs)

33 Classification of financial assets and financial liabilities

As at 31 March 2021	Mandatorily at FVTPL	At cost	Amortised cost	Total carrying amount
ASSETS				
Cash and cash equivalents			2,169.42	2,169.42
Bank balance other than cash and cash equivalents				-
Loans and advances to Parties			159.70	159.70
Investment securities				-
Measured at fair value				-
Measured at cost				-
Measured at amortised cost				-
Other Receivables (Trade Receivables & Advance Recoverable in Cash or Kind)			752.28	752.28
Other financial assets			-	-
Total Financial assets	-	-	**3,081.40**	**3,081.40**
Trade Payables (Liability towards channel Partners)			1,123.55	**1,123.55**
Other financial liabilities				-
Total Financial liabilities	-	-	**1,123.55**	**1,123.55**
As at 31 March 2020				
ASSETS				
Cash and cash equivalents			567.54	567.54
Bank balance other than cash and cash equivalents				-
Loans and advances to customers			120.23	120.23
Investment securities				-
Measured at fair value				-
Measured at Cost				-
Measured at amortised cost				-
Other Receivables (Trade Receivables & Advance Recoverable in Cash or Kind)			658.95	658.95
Other financial assets				-
Total Financial assets	-	-	1,346.73	1,346.73
Trade payables (Liability towards channel Partners)			570.72	570.72
Other financial liabilities				-
Total Financial liabilities	-	-	570.72	570.72
As at 1 April 2019				
ASSETS				
Cash and cash equivalents			-	-
Bank balance other than cash and cash equivalents				-
Loans and advances to customers			1.62	1.62
Investment securities				-
Measured at fair value				-
Measured at Cost				-
Measured at amortised cost				-
Other Receivables (Trade Receivables & Advance Recoverable in Cash or Kind)			404.05	404.05
Other financial assets				-
Total Financial assets	-	-	405.67	405.67
Trade payables			-	-
Other financial liabilities				-
Total Financial liabilities	-	-	-	-

MANOJ CHOUDHURY & ASSOCIATES
CHARTERED ACCOUNTANTS
BHUBANESWAR
FRN 327294E
21|5|21

Iserveu Technology Private Limited

Notes forming part of the standalone financial statements *(Continued)*

for the year ended 31 March 2021

(Amount in ₹ lakhs)

34 Fair Value Measurement

Financial Instrument by Category

	As at 31 March 2021		As at 31 March 2020		As at 01 April 2019	
	FVTPL	Amortised	FVTPL	Amortised	FVTPL	Amortised
Financial Asset						
Investments						
- Bonds and Debentures						
- Mutual Funds						
Other Receivables						
Loans		159.70		120.23		1.62
Cash And Cash Equivalents		2,169.42		567.54		-
Bank balance other than cash and cash equivalents		-				
Other Receivables (Trade Receivables & Advance		752.28		658.95		404.05
Other Financial Assets						
Total Financial Assets	-	3,081.40	-	1,346.73	-	405.67
Financial Liability						
Trade Payables		1,123.55		570.72		-
Other Financial Liabilities						
Total Financial Liabilities	-	1,123.55	-	570.72	-	-

Fair value Hierarchy

This section explains the judgments and estimates made in determining the fair value of the financial instrument that are (a) recognized and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath table

As at 31 March 2021

	Carrying amount	Fair value measurements using			Total
		Level 1	Level 2	Level 3	
Financial assets*					
Investments					
- Bonds and Debentures	-				-
- Mutual Funds	-				-
Loans and advances	159.70		159.70		159.70
Other Receivables	-				
Cash And Cash Equivalents	2,169.42				
Bank balance other than cash and cash equivalents	-				
Security Deposits					
Other Financial assets	752.28				-
Total Financial Asset	3,081.40	-	159.70	-	159.70
Financial Liabilities*					
Trade Payables	1,123.55				
Lease Liability					-
Contingent Consideration					-
Total Financial Liabilities	1,123.55	-	-	-	-

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
21/5/21
CHARTERED ACCOUNTANTS

Iserveu Technology Private Limited

Notes forming part of the standalone financial statements *(Continued)*
for the year ended 31 March 2021

(Amount in ₹ lakhs)

34 Fair Value Measurement *(Continued)*

As at 31 March 2020

	Carrying amount	Fair value measurements using			
		Level 1	Level 2	Level 3	Total
Financial assets*					
Investments					
- Bonds and Debentures	-				-
- Mutual Funds	-				-
Loans and advances	120.23		120.23		**120.23**
Other Receivables	-				
Cash And Cash Equivalents	567.54				
Bank balance other than cash and cash equivalents	-				
Other Financial assets	658.95				
Security Deposits	-	-	-	-	-
Total Financial Asset	**1,346.73**	**-**	**120.23**	**-**	**120.23**
Financial Liabilities*					
Trade Payables	570.72				
Lease Liability	-	-	-	-	-
Total Financial Liabilities	**570.72**	**-**	**-**	**-**	**-**

As at 1 April 2019

	Carrying amount	Fair value measurements using			
		Level 1	Level 2	Level 3	Total
Financial assets*					
Investments					
- Bonds and Debentures	-				-
- Mutual Funds	-				-
Loans and advances	1.62				-
Other Receivables	-				
Cash And Cash Equivalents	-				
Bank balance other than cash and cash equivalents	-				
Other Financial assets	404.05				
Security Deposits	-				-
Total Financial Asset	405.67	-	-	-	-
Financial Liabilities*					
Trade Payables	-				
Other Financial Liabilities	-				
Total Financial Liabilities	-	-	-	-	-

***The Company has not disclosed the fair values for cash and cash equivalents, bank balances, bank deposits, receivables and other financial assets, trade payables and other financial liabilities as these are short term in nature and their carrying amounts are a reasonable approximation of fair value.**

MANOJ CHOUDHURY & ASSOCIATES * CHARTERED ACCOUNTANTS *
BHUBANESWAR
FRN 327294E
21/5/21

34 Fair Value Measurement *(Continued)*

Level 1 : Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices in active markets that the Company has the ability to access for the identical assets or liabilities. A financial instrument is classified as a Level 1 measurement if it is listed on an exchange. None of the Financial Instruments of the company is Classifible as Level 1 Assets or Liability.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. Fair value of loans and advances of the Company is measured using the last month's lending rate. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3.

Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand, balances with Banks, financial institutions and money at call and short notice, accrued interest receivable, acceptances, deposits payable on demand, accrued interest payable, and certain other assets and liabilities that are considered financial instruments. Carrying values were assumed to be approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

Fair value of financial instruments carried at amortised cost

Loans and advances

The fair values of loans that do not reprice or mature frequently are estimated using discounted cash flow models. Loans and advances are fair valued basis the future expected cash flows discounted at the lending rate.

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
21/5/21
CHARTERED ACCOUNTANTS

Iserveu Technology Private Limited

Notes forming part of the standalone financial statements (Continued)

for the year ended 31 March 2021

(Amount in ₹ lakhs)

35 Revenue from contracts with customers

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss

Type of income	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Commission Income	3,738.42	1,886.25
Total revenue from contracts with customers	**3,738.42**	1,886.25
Geographical markets		
India	**3,738.42**	1,886.25
Outside India	-	-
Total revenue from contracts with customers	**3,738.42**	1,886.25
Timing of revenue recognition		
Services transferred at a point in time		
Services transferred over time	**3,738.42**	1,886.25
Total revenue from contracts with customers	**3,738.42**	1,886.25

36 There have been no events after the reporting date that require disclosure in these financial statements.

37 The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
CHARTERED ACCOUNTANTS
21/5/21

Iserveu Technology Private Limited

Notes forming part of the standalone financial statements *(Continued)*
for the year ended 31 March 2021

(Amount in ₹ lakhs)

38 Explanation to transition to Ind AS

As stated in Note 2, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2020, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('Previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2021 including the comparative information for the year ended 31 March 2020 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2019.

In preparing the Ind AS balance sheet as at 1 April 2019 and in presenting the comparative information for the year ended 31 March 2020, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

1. Property plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:
(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date

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

- fair value;
- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

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

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under Previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.

B. Mandatory exceptions

1. Accounting estimates

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

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

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

- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.
- Expected life of portfolio.
- Classification of equity and liability.

2. Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109 - Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition criteria for financial assets/liabilities prospectively. Hence, it has not recognised financial assets/financial liabilities previously de-recognised.

BHUBANESWAR
FRN

38 Explanation to transition to Ind AS *(Continued)*

B. Mandatory exceptions *(Continued)*

3. Classification and measurement of financial assets

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

Accordingly, the company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition.

4. Impairment of financial assets

The Company being NBFC company is required to assess the impairment of financial assets based upon the new model i.e. ECL instead of rule based guidance (RBI Prudential Norms) as prevailed under Previous GAAP.

Accordingly, the Company has applied the impairment requirement of Ind-AS 109 on all financial assets recognised as per Ind-AS 109:

1. ECL are recognised for financial assets held under amortised cost, debt instruments measured at FVOCI, and certain loan commitments.

2. Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12 month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognised for stage 2 and stage 3 financial assets.

3. At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible in the next 12 months. In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery.

Treatment of the different stages of financial assets and the methodology of determination of ECL

(a) Credit impaired (stage 3)
The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:
Contractual payments of either principal or interest are past due for more than 90 days;
The loan is otherwise considered to be in default.

(b) Significant increase in credit risk (stage 2)
An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, 30 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed usingPD (probability of default) derived from past behavioural trends of default across the identified homogenousportfolios. These past trends factor in the past customer behavioural trends and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

(c) Measurement of ECL
The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro economic factors.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD).
a. Determination of PD is covered above for each stages of ECL.
b. EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default.
c. LGD represents expected losses on the EAD given the event of default
A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 43

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
CHARTERED ACCOUNTANTS

(Amount in ₹ lakhs)

39 First-time adoption of Ind AS

Transition to Ind AS

These are the company's first standalone financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2021 the comparative information presented in these financial statements for the year ended 31 March 2020 and in the preparation of an opening Ind AS balance sheet at April 1, 2019 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP or IGAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i) Reconciliation of Total equity between previous GAAP and Ind AS:

(Amount in ₹ lakhs)

	As At 31st March 2020	As At 1st April 2019
Total equity as per previous GAAP	77.42	60.19
Adjustments:		
Reversal of Rent provisions created under Indian GAAP	9.94	7.73
Recognition of Amortization of Right of Use	(7.91)	(6.64)
Recognition of Lease Interest Expense	(3.08)	(3.61)
Recognition of Lease Modificaiton Gain	3.77	-
Recognition of Rent Expenses on Secutiry Deposits	(0.17)	(0.12)
Recognition of Interest on Security Deposits	0.15	0.10
Reversal of Processiong Fees recognized as per Indian GAAP	2.50	0.44
Recognition of Interest Expense on Loan	(1.49)	(1.63)
Recognition of Deferred Income	0.74	1.45
Reversal of Retained Earnings due to first time adoption of Ind	(2.29)	-
Recognition of Excess Income Tax provision	(1.16)	-
Total adjustments	1.01	(2.29)
Total equity as per Ind AS	78.43	57.90

ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

(Amount in ₹ lakhs)

	Note	For year ended 31 March 2020
Net profit after tax as per previous GAAP		17.24
Adjustments:		
Reversal of Rent provisions created under Indian GAAP	(i)	9.94
Recognition of Amortization of Right of Use	(ii)	(7.91)
Recognition of Lease Interest Expense	(iii)	(3.08)
Recognition of Lease Modificaiton Gain	(iv)	3.77
Recognition of Rent Expenses on Secutiry Deposits	(v)	(0.17)
Recognition of Interest on Security Deposits	(vi)	0.15
Reversal of Processiong Fees recognized as per Indian GAAP	(vii)	2.50
Recognition of Interest Expense on Loan	(viii)	(1.49)
Recognition of Deferred Income	(viii)	0.74
Recognition of Excess Income Tax provision	(x)	(1.16)
Total adjustments		3.30
Profit after tax as per Ind AS		20.53
Other Comprehensive Income:		
Reclassification of acturial losses to OCI (net of tax)		
Total comprehensive income as per Ind AS		20.53

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
CHARTERED ACCOUNTANTS

Iserveu Technology Private Limited

Notes forming part of the standalone financial statements (Continued)
for the year ended 31 March 2021

(Amount in ₹ lakhs)

39 First-time adoption of Ind AS *(Continued)*

Reconciliations between previous GAAP and Ind AS *(Continued)*

iii) Impact of Ind AS adoption on the standalone statements of cash flows for the year ended 31 March 2020

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities			-
Net cash flow from investing activities			-
Net cash flow from financing activities			-
Net increase/(decrease) in cash and cash equivalents			-
Cash and cash equivalents as at April 1, 2019		-	
Effects of exchange rate changes on cash and cash equivalents	-	-	-
Cash and cash equivalents as at 31 March 2020	-	-	-

d) Notes to first-time adoption:

i) Accounting for effective interest rates

Under previous GAAP, all the transaction costs/incomes integral to origination of loans and advances were recognised upfront on an accrual basis. Under Ind AS 109, these transaction costs/incomes related to origination of loans and advances are amortised using the effective interest rate (EIR) method over the contractual life of the loans and advances.

There was has no adjustment against equity as on 01 April 2019, as the fees and income diluted the net impact on equity. Profit for the year ended 31 March 2020 has been Increased by ₹ 20.35 lakhs due to this change.

ii) Security deposits initially recognised at amortised cost

Under previous GAAP, the Company accounted for receivable security deposits paid to parties at carrying cost. Under Ind AS, these deposits have been accounted at amortised cost determined using the appropriate market rate.

iii) Lease accounting

Under previous GAAP, the Company accounted for lease by recognising lease rentals as an expense on a straight-line basis over the lease period. Under IND AS 116, at the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right of use asset . Interest expense on the lease liability and the depreciation expense on the right-of-use asset is recognised separately.

As a result of this change, the profit for year ended 31 March 2020 decreased by ₹ 1.24 lakhs (net).

As per our report of even date.

For Manoj Choudhury & Associates
Chartered Accountants
FRN: 0327294E

MANOJ CHOUDHURY & ASSOCIATES BHUBANESWAR FRN 327294E CHARTERED ACCOUNTANTS
21/5/21

CA. Niranjan Mohapatra
Partner
Membership No. : 099882
UDIN : 21099882AAAAEC4429

Bhubaneswar, 21st May, 2021

For and on behalf of the Board of Directors of
Iserveu Technology Private Limited
CIN : U72900OR2016PTC025851

ISERVEU TECHNOLOGY PVT. LTD.
Debiprasad Sarangi
Mr. Debiprasad Sarangi
DIRECTOR
Director
DIN : 07601542

ISERVEU TECHNOLOGY PVT. LTD.
Mr. Amit Tyagi
DIRECTOR
Director
DIN : 08317195

Mr. Tashwinder Harjap Singh
Director
DIN : 06572282

Mr. Rumit Dugar
Director
DIN : 06869856

Iserveu Technology Private Limited

Notes forming part of the standalone financial statements (Continued)
for the year ended 31 March 2021

(Amount in ₹ lakhs)

Reconciliation of equity

(Amount in ₹ lakhs)

Particulars	As at 31 March 2020			As at 01 April 2019		
	As per IGAAP	Adjustments	As per Ind AS	As per IGAAP	Adjustments	As per Ind AS
ASSETS						
Financial assets						
Cash and cash equivalents	567.54	-	567.54	229.22	-	229.22
Bank balance other than cash and cash equivalents above						
Receivables						
Other receivables	25.56	-	25.56	17.76	-	17.76
Loans	134.73	-	134.73	1.62	-	1.62
Investments						
Other financial assets	635.95	-	635.95	386.28	-	386.28
Total financial assets	1,363.79	-	1,363.79	634.89	-	634.89
Non-financial Assets						
Current tax assets (Net)	114.29	(1.16)	113.13	15.88	-	15.88
Deferred tax assets (Net)						
Right of use asset	-	46.08	46.08	-	28.01	28.01
Property, plant and equipment	26.30	-	26.30	10.36	-	10.36
Intangible assets under						
Intangible assets	8.86	-	8.86	8.76	-	8.76
Other non-financial assets	6.38	(0.85)	5.53	1.65	(0.52)	1.13
Total non-financial assets	155.82	44.07	199.89	36.65	27.49	64.15
TOTAL ASSETS	1,519.61	44.07	1,563.68	671.54	27.49	699.04
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Trade payables*	13.40	-	13.40	0.60	-	0.60
Other financial liabilities	884.04	48.04	932.08	489.97	31.17	521.14
Total financial liabilites	897.44	48.04	945.47	490.57	31.17	521.74
Non-financial liabilities						
Provisions						
Other non-financial liabilities	545.57	(4.97)	540.59	159.08	(1.39)	157.70
Total non-financial liabilites	545.57	(4.97)	540.59	159.08	(1.39)	157.70
EQUITY						
Equity share capital	2.00	-	2.00	2.00		2.00
Other equity	75.42	1.01	76.43	58.19	(2.29)	55.90
Total equity	77.42	1.01	78.43	60.19	(2.29)	57.90
TOTAL LIABILITIES AND EQUITY	1,520.43	44.07	1,564.50	709.84	27.49	737.34

* *Trade Payables as on 01.04.2019 amounting to Rs. 26.39 lakhs are regrouped to bring matching concept between different periods*

MANOJ CHOUDHURY & ASSOCIATES
BHUBANESWAR
FRN 327294E
CHARTERED ACCOUNTANTS
27/5/21

Iserveu Technology Private Limited

Notes forming part of the standalone financial statements *(Continued)*

for the year ended 31 March 2021

(Amount in ₹ lakhs)

			(Amount in ₹ lakhs)
Particulars	For the year ended 31 March 2021		
	As per Indian GAAP	Adjustment	As per Ind AS
Revenue from operations			
Commission Income	3,738.42	-	3,738.42
Device & One Time Setup Fees	468.38	-	468.38
Total revenue from operations	4,206.80	-	4,206.80
Interest Income	-	0.30	0.30
Other Income	(0.93)	0.39	1.32
Total income	**4,205.87**	**0.69**	**4,208.42**
Expenses			
Cost of Services	3,260.44	-	3,260.44
Change in Inventories of Stock In Trade	(91.26)	-	(91.26)
Employee benefit expense	455.20	-	455.20
Finance cost	110.60	6.63	117.23
Depreciation expense	10.24	18.60	28.84
Other expenses	405.02	(20.23)	384.80
Total expenses	4,150.23	5.01	4,155.24
Profit before tax	55.64	(4.32)	53.18
Tax expense:			
(1) Current tax	38.57	(0.74)	37.83
(2) Deferred tax	(24.00)	-	(24.00)
Total tax expense	14.57	(0.74)	13.83
Profit for the period	41.08	(3.58)	39.35
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
-Re-measurement of defined benefir plan			
(ii) Income tax relating to items that will not be reclassified to profit			
Other comprehensive income			
Total comprehensive income for the period	41.08	(3.58)	39.35

* Ind AS 101 requires reconciliations of its equity reported in accordance with previous GAAP to its equity in accordance with Ind AS and a reconciliation to its total comprehensive income in accordance with Ind AS for the latest period in the entity's most recent annual financial statements. The Company has chosen to provide reconciliation of amount reported in accordance with previous GAAP to amount reported under Ind AS for each line item of balance sheet and statement of profit and loss as an additional disclosure.

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

MANOJ CHOUDHURY & ASSOCIATES * CHARTERED ACCOUNTANTS * BHUBANESWAR FRN 327294E

21/5/21