

INDEPENDENT AUDITOR'S REPORT

To the Members of Indian Association for Saving and Credit

Report on the Financial Statements

We have audited the accompanying financial statements of **Indian Association for Saving and Credit** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 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 31st March, 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) This report does not contain a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
- (2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;



HARIBHAKTI & CO. LLP

Chartered Accountants

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure".
- 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 22 on Contingent Liabilities to the financial statements;
- (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- (iv) The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the company and as produced to us by the Management (Refer Note No. 29 to the financial statements);

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



C.S. Sathyanarayanan

Partner

Membership No.028328



Coimbatore,

09-05-2017.

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Indian Association for Savings and Credit** on the financial statements for the year ended March 31, 2017]

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

We have audited the internal financial controls over financial reporting of **Indian Association for Savings and Credit** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.



Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



HARIBHAKTI & CO. LLP

Chartered Accountants

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



C.S. Sathyanarayanan

Partner

Membership No.028328



Coimbatore,

09-05-2017.

INDIAN ASSOCIATION FOR SAVINGS AND CREDIT
(Registered under Section 8 of the Companies Act, 2013)
Balance Sheet as at 31st March 2017

(Amount in ₹)

PARTICULARS	Note No.	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	60,00,000	60,00,000
Reserves and Surplus	3	2348,34,811	1606,86,381
Non-Current Liabilities			
Long Term Borrowings	4	220,98,134	234,79,643
Deferred Tax Liabilities (Net)	5	2,40,983	-
Current Liabilities			
Other Current Liabilities	6	613,30,088	776,30,392
Short Term Provisions	7	45,37,932	247,89,038
Total		3290,41,948	2925,85,454
ASSETS			
Non-Current Assets			
Fixed Assets	8		
Tangible Assets		242,37,984	145,92,482
Intangible Assets		5,11,394	7,57,378
Deferred tax assets (Net)	5	-	5,81,626
Long-Term Loans and Advances	9	136,33,497	123,69,192
Other Non-Current Assets	10	863,00,000	525,00,000
Current Assets			
Trade Receivables	11	377,61,669	305,87,441
Cash and Bank Balances	12	1523,02,367	1787,82,176
Short-Term Loans and Advances	13	130,99,728	17,21,031
Other Current Assets	14	11,95,309	6,94,128
Total		3290,41,948	2925,85,454

Significant Accounting Policies & Notes form an integral part of the financial statements

Vide our report of date attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

C.S.Sathyanarayanan

Partner

Membership No. 028328

Place : Coimbatore

Date : 09-05-2017



For and on behalf of the Board of Directors

Ganesh Ramanand Rao

Director

DIN:(02302989)

V.K.Mohan

Director

DIN:(06987472)

INDIAN ASSOCIATION FOR SAVINGS AND CREDIT
(Registered under Section 8 of the Companies Act, 2013)
Statement of Profit & Loss for the year ended 31st March 2017

(Amount in ₹)

	PARTICULARS	Note No.	2016-17	2015-16
I.	Revenue from Operations	15	3541,92,852	2924,90,668
II.	Other Income	16	21,972	16,945
III.	Total Revenue (I + II)		3542,14,824	2925,07,613
IV.	Expenses:			
	Employee benefits expense	17	1688,29,296	952,67,227
	Finance Costs	18	36,51,496	73,17,363
	Depreciation and amortization Expense	8	47,38,295	27,53,160
	Other expenses	19	614,24,698	479,69,129
	Total Expenses		2386,43,785	1533,06,879
V	Profit before tax (III - IV)		1155,71,039	1392,00,734
VI	Tax Expense:			
	(1) Current Tax		406,00,000	495,00,000
	(2) Deferred Tax charged /(reversed)		8,22,609	(7,50,131)
	(3) Taxation for earlier years		-	2,22,687
VII	Profit for the period (V - VI)		741,48,430	902,28,178
VIII	Earnings Per Equity Share of face value ₹10 each - Basic & Diluted	31	123.58	150.38

Significant Accounting Policies & Notes form an integral part of the financial statements

Vide our report of date attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

C.S.Sathyanarayanan

Partner

Membership No. 028328

Place : Coimbatore

Date : 09-05-2017



For and on behalf of the Board of Directors

Ganesh Ramanand Rao

Director

DIN: (02302989)

V.K. Mohan

Director

DIN: (06987472)

Indian Association for Savings and Credit
Cash Flow Statement for the year ended 31-03-2017

Particulars	2016-17		2015-16	
	in ₹	in ₹	in ₹	in ₹
A. Cash flows from operating activities				
Net profit before taxation and extraordinary items		1155,71,039		1392,00,734
Adjustments for:				
Depreciation	47,38,295		27,53,160	
Assets discarded written off	2,14,668		-	
Interest expense	36,51,496	86,04,459	73,17,363	100,70,523
Operating profit before working capital changes		1241,75,498		1492,71,257
- (Increase)/decrease in trade receivables	(71,74,228)		(243,11,318)	
- (Increase)/decrease in loans and advances	(489,70,880)		315,79,195	
- (Increase)/decrease in Other Current assets	(5,01,181)		1,41,909	
- (Decrease)/increase in liabilities and provisions	(150,09,742)	(716,56,031)	310,25,665	384,35,451
Cash generated from operations		525,19,467		1877,06,708
Income taxes refund/(paid)		(595,50,231)		(273,41,690)
Net cash from operating activities - (A)		(70,30,764)		1603,65,018
B. Cash flows from investing activities				
Purchase of Fixed Assets		(143,52,481)		(83,03,786)
Net cash from investing activities - (B)		(143,52,481)		(83,03,786)
C. Cash flow from Financing activities				
Proceeds from long term borrowings		155,78,000		45,00,000
Repayment of long term borrowings		(172,95,585)		(223,56,133)
Interest paid		(33,78,979)		(73,17,363)
Net cash used in financing activities - (C)		(50,96,564)		(251,73,496)
Net increase in cash and cash equivalents (A+B+C)		(264,79,809)		1268,87,736
Cash and Bank Balances at the beginning of the year		1787,62,176		518,94,440
Less: Bank Balances not considered as Cash & Cash equivalents as per AS 3		937,00,000		1100,00,000
Cash and cash equivalents at the end of the year		586,02,367		687,82,176

Significant Accounting Policies & Notes form an integral part of the financial statements

Vide our report of date attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 03523W/W100048

C.S.Sathyanarayanan

Partner

Membership No. 028328

Place:Coimbatore

Date: 09-05-2017



For and on behalf of the Board of Directors

Suresh Ramchand Rao

Director

DIN: (02302989)

V.K.Mohan

Director

DIN: (06987472)

Note no.1

A Nature of operations:

- Indian Association for Savings and Credit (IASC) is a Company registered u/s 8 of the Companies Act, 2013. The Company is an authorised Business Correspondent (BC) of YES Bank Limited and IDBI Bank Limited. The Company is engaged in the business of providing micro loans under Self Help Group (SHG)/ Joint Liability Group (JLG) model and other related financial services on behalf of the banks.

- The Company manages a portfolio of ₹ 3,18,14,47,453/- (Previous year ₹ 3,32,09,00,686/-) as on the balance sheet date with regard to the services as a Business Correspondent.

B Significant Accounting Policies:

i) a) **Basis of Preparation:**

The financial statements have been prepared to comply in all material respects with the accounting standards specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) **Use of Estimates:**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, disclosures relating to contingent liabilities and assets as at the balance sheet date and the reported amounts of income and expenses during the year. Difference between the actual amounts and the estimates are recognised prospectively in the year in which the events are materialised.

ii) **Property, Plant & Equipment, Depreciation/Amortisation and Impairment:**

a) Property, plant and equipment (PPE) being Fixed Assets are tangible items held for use or for administrative purposes and are measured at cost less accumulated depreciation and any accumulated impairment. Cost comprises of the purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Management. Financing costs relating to acquisition of assets which take substantial period of time to get ready for intended use are also included to the extent they relate to the period up to such assets are ready for their intended use.

b) Depreciation on Property, plant and equipment are provided under straight line method as per the useful lives and manner prescribed under Schedule II to the Companies Act, 2013. Where the cost of a part of the PPE is significant to the total cost of the PPE and if that part of the PPE has a different useful life than the main PPE, the useful life of that part is determined separately for depreciation. The depreciation method applied to an asset is reviewed at each financial year-end and if there has been a significant change in the expected pattern of consumption of future economic benefits embodied in the asset, depreciation is charged to reflect the changed pattern.

c) Improvements to Leasehold Buildings are amortised as depreciation over the lease period, which is considered as the estimated useful life by the management.

d) As at each Balance sheet date, the carrying amount of assets is tested for impairment so as to determine

i) The provision for impairment loss, if any, required or

ii) The reversal, if any, required of impairment loss recognized in previous periods.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.



e) The Useful Life prescribed in Schedule II to Companies Act 2013,

S.no	Class Of Asset	Useful Life
1.	Furniture & Fixtures	10 years
2.	Vehicles	8 years
3.	Office Equipments	5 years
4.	Computers	3 years

iii) Investments:

- Long Term Investments are stated at cost.
- Current Investments are carried at lower of cost and fair value as on the Balance Sheet date.
- Provision for diminution in value of long-term investments is made, if the diminution is other than temporary.

iv) Fixed Assets

- Foreign Currency Transactions are recorded at exchange rates prevailing on the date of such transaction.
- Exchange differences arising on settlement on transaction of monetary items are recognised as income / expenses in the Statement of Profit & Loss in the period in which it arises.
- Foreign Currency assets and liabilities at the year end are realigned at the exchange rate prevailing at the year end and the difference on realignment is recognized in the Statement of profit & Loss.
- Premium / Discount in respect of Forward contract are amortized as expense / income over the period of contract. Exchange difference arising on forward contracts between the exchange rate on the date of the transaction and the exchange rate prevailing at the year end is recognized in the Statement of Profit & Loss.

v) Revenue Recognition:

- Income from product delivery and services from banks in the capacity of Business Correspondent are recognized on accrual. Income by way of Revenue sharing with banks are recognized as and when the related services are completed and accepted by the banks.
- Interest income on fixed deposits with banks is recognized on a time proportionate basis at the applicable interest rates.

vi) Taxes on Income:

- Current Tax on income is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income tax act 1961, and based on the expected outcome of assessments/appeals.
- Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets on business loss and unabsorbed depreciation are recognized and carried forward to the extent that there is virtual certainty that sufficient taxable income will be available against which such deferred tax asset can be realised.
- Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

vii) Employee Benefits:

- Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- Payments to defined contribution schemes are charged as expense as and when incurred.



- c) Post employment and other long term, benefits, which are defined benefit plans, are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered service. The expense is recognised based on the present value of the obligation determined in accordance with Accounting Standard 15 on "Employee Benefits". Actuarial gains & losses are charged to the Statement of Profit and Loss.

d) Termination benefits are recognised as an expense, as and when incurred.

viii) Borrowing Cost:

- a) Interest and other related costs, including amortized costs of borrowings related to the project or acquisition of qualifying assets are capitalized as part of the respective assets. All the other borrowing costs are charged to revenue.
- b) A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

ix) Earnings per Share:

- a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity Shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and consolidation of shares, if any.
- b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

x) Provisions :

- a) A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources would be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined.
- b) A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

xi) Leases :

a) Where the company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

b) Where the company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Asset subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss.

xii) Cash and Cash Equivalents:

Cash flow is reported using the indirect method, whereby net profit before tax is adjusted for the effects of transaction of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow comprises regular revenue generating, investing and financing activities of the company. Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.



Note No.2 SHARE CAPITAL

Particulars	As at 31.03.2017		As at 31.03.2016	
	In Numbers	Amount in ₹	In Numbers	Amount in ₹
Authorised				
30,00,000 Equity Shares of ₹ 10/- each (31st March 2016: 30,00,000 Equity Shares of ₹ 10/- each)	30,00,000	300,00,000	30,00,000	300,00,000
Issued, Subscribed and Paid up				
6,00,000 Equity Shares of ₹ 10/- Each (31st March 2016: 6,00,000 Equity Shares of ₹ 10/- each)	6,00,000	60,00,000	6,00,000	60,00,000
		60,00,000		60,00,000

a) Terms/Rights attached to equity shares :

The company has only one class of equity shares having a par value of ₹ 10 per share. Each equity shareholder is entitled to one vote per share.

b) Details of Shareholders holding more than 5% shares in the company :

Particulars	Equity Shares			
	As at 31.03.2017		As at 31.03.2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
New Opportunity Consultancy Private Limited	5,99,870	99.98%	5,99,870	99.98%
	5,99,870	99.98%	5,99,870	99.98%

c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	Equity Shares			
	As at 31.03.2017		As at 31.03.2016	
	In Numbers	Amount in ₹	In Numbers	Amount in ₹
Shares outstanding at the beginning/end of the year	6,00,000	60,00,000	6,00,000	60,00,000

d) There are no shares which have been allotted for consideration other than cash, bonus shares and shares bought back in the preceding 5 years.

e) Shares held by the Holding Company :

Particulars	Equity Shares			
	As at 31.03.2017		As at 31.03.2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
New Opportunity Consultancy Private Limited	5,99,870	99.98%	5,99,870	99.98%
	5,99,870	99.98%	5,99,870	99.98%

Note No.3 RESERVES & SURPLUS

Particulars	As at 31.03.2017	As at 31.03.2016
	Amount in ₹	Amount in ₹
Surplus in the Statement of Profit & Loss		
Opening balance	1606,86,381	704,58,203
Add : Net profit transferred from Statement of Profit and Loss	741,48,430	902,28,178
	2348,34,811	1606,86,381



Note No.4 LONG TERM BORROWINGS

Particulars	Non - Current portion		Current Maturities	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Secured Loans				
Vehicle Loans from Toyota Financial Services India Ltd	16,27,351	8,20,312	5,78,860	2,72,505
Unsecured Loans				
Loans from Holding Company	110,00,000	110,00,000		
Loans from Financial Institutions	94,70,783	116,59,331	21,43,203	27,85,634
	220,98,134	234,79,643	27,22,063	30,58,139
Amount disclosed under the head Other Current Liabilities - Current maturities of Long term debts (Refer Note No. 6)	-	-	(27,22,063)	(30,58,139)
	220,98,134	234,79,643	-	-

i) Vehicle Loans from Toyota Financial Services India Limited are secured by way of hypothecation of vehicles procured out of such loans. The loans as on 31-03-2017 are repayable in 30 and 51 monthly instalments respectively. The interest is payable on monthly basis and the rate of interest is 9.99% and 10.50% per annum respectively.

ii) Unsecured Loans from New Opportunity Consultancy Private Limited are repayable as follows:

- Tranche 1 as on 31-03-2017 is repayable at the end of 28 months of ₹ 35,00,000/-
- Tranche 2 as on 31-03-2017 is repayable at the end of 30 months of ₹ 10,00,000/-
- Tranche 3 as on 31-03-2017 is repayable at the end of 31 months of ₹ 10,00,000/-
- Tranche 4 as on 31-03-2017 is repayable at the end of 31 months of ₹ 20,00,000/-
- Tranche 5 as on 31-03-2017 is repayable at the end of 32 months of ₹ 25,00,000/-
- Tranche 6 as on 31-03-2017 is repayable at the end of 32 months of ₹ 10,00,000/-

The interest on the above loans is payable on monthly basis and the rate of interest is 18% per annum.

iii) Unsecured Loans from HDFC Limited are repayable in 54 and 62 monthly instalments respectively as on 31-03-2017. The interest is payable on monthly basis and the rate of interest is 7.5% and 8.25% per annum respectively.

Note No.5 DEFERRED TAX

Particulars	As at 31.03.2017	Charged / (Reversed) during the year	As at 31.03.2016
	Amount in ₹	Amount in ₹	Amount in ₹
Deferred tax liability			
- On Fixed Assets	2,40,983	(42,591)	2,83,574
Deferred tax assets			
- On disallowances under the Income tax Act	-	(8,65,200)	8,65,200
Net deferred tax liability/(asset)	2,40,983	8,22,609	(5,81,626)

Note No.6 OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2017	As at 31.03.2016
	Amount in ₹	Amount in ₹
Current Maturities of Long Term Debts (Refer Note No.4)	27,22,063	30,58,139
Interest accrued and due on borrowings	2,59,125	-
Interest accrued but not due on borrowings	13,392	-
Accrued Employee Benefits	11,00,000	26,41,920
Statutory Dues	65,09,831	58,82,112
Disbursement in Pipeline	426,38,700	312,22,613
Member insurance payable	-	201,51,223
Other payables and accruals*	80,86,977	146,74,385
	613,30,088	776,30,392

* Other payables and accruals represents EMI collected, cancelled disbursements and accrued expenses



Note No.7 SHORT TERM PROVISIONS

Particulars	As at 31.03.2017	As at 31.03.2016
	Amount in ₹	Amount in ₹
Provision for Gratuity (Refer Note No.28)	32,19,696	19,92,693
Provision for Taxation (Net)	13,18,236	227,96,345
	45,37,932	247,89,038

Note No.9 LONG TERM LOANS AND ADVANCES

Particulars	As at 31.03.2017	As at 31.03.2016
	Amount in ₹	Amount in ₹
Unsecured, considered good		
Security Deposits	98,08,020	62,47,662
Tax payments pending adjustment (Net)	35,93,651	61,21,530
Deposit towards member insurance	2,31,826	-
	136,33,497	123,69,192

Note No.10 OTHER NON CURRENT ASSETS

Particulars	As at 31.03.2017	As at 31.03.2016
	Amount in ₹	Amount in ₹
Unsecured, considered good		
Margin Deposits Account with scheduled banks #	863,00,000	525,00,000
	863,00,000	525,00,000

Represents security deposit for providing financial services to Yes Bank and IDBI Bank against First Loss Default Guarantee.

Note No.11 TRADE RECEIVABLES

Particulars	As at 31.03.2017	As at 31.03.2016
	Amount in ₹	Amount in ₹
Outstanding for a period less than six months		
Unsecured, considered good	377,61,669	305,87,441
	377,61,669	305,87,441

Note No.12 CASH AND BANK BALANCES

Particulars	As at 31.03.2017	As at 31.03.2016
	Amount in ₹	Amount in ₹
Cash and Bank Balances		
Balance with Banks		
In Current Account	585,96,127	687,80,396
In Margin Deposits Account #	937,00,000	1100,00,000
Cash on Hand	6,240	1,780
	1523,02,367	1787,82,176

Represents security deposit for providing financial services to Yes Bank and IDBI Bank against First Loss Default Guarantee.

Of the above, the balances that meet the definition of Cash and Cash equivalents as per AS-3 Cash flow statement is

586,02,367 687,82,176



Note No.13 SHORT TERM LOANS & ADVANCES

Particulars	As at 31.03.2017	As at 31.03.2016
	Amount in ₹	Amount in ₹
Unsecured, considered good		
Inter Corporate loan (Refer Note no.27)	115,00,000	-
Prepaid expenses	14,27,015	6,92,481
Advance for expenses	36,713	7,98,750
Loans to employees	1,36,000	2,29,800
	130,99,728	17,21,031

Note No.14 OTHER CURRENT ASSETS

Particulars	As at 31.03.2017	As at 31.03.2016
	Amount in ₹	Amount in ₹
Unsecured, considered good		
Interest Accrued	11,57,611	6,77,608
Other Receivables	37,698	16,520
	11,95,309	6,94,128



INDIAN ASSOCIATION FOR SAVINGS AND CREDIT

Note No.8 - Fixed Assets

(Amount in ₹)

Particulars	Gross Block				Depreciation				Net Block	
	As on 01.04.2016	Additions	Deletions	As on 31.03.2017	Upto 01.04.2016	For the Year	Withdrawn	Upto 31.03.2017	As on 31.03.2017	As on 31.03.2016
Tangible Assets										
Land	6,74,000	-	-	6,74,000	-	-	-	-	6,74,000	6,74,000
Improvements to Leased Building	42,13,811	40,92,993	-	83,06,804	18,48,251	7,50,822	-	25,99,073	57,07,731	23,65,560
Furniture & Fixtures	63,26,299	26,01,513	11,71,181	77,56,631	24,38,309	7,26,266	10,69,036	20,95,539	56,61,092	38,87,990
Vehicles	18,90,457	22,37,291	-	41,27,748	4,44,493	4,19,970	-	8,64,463	32,63,285	14,45,964
Office Equipments	46,07,815	30,85,673	3,02,939	73,90,549	14,52,639	10,12,784	2,14,806	22,50,617	51,39,932	31,55,176
Computers	76,18,570	23,35,011	4,87,797	94,65,784	45,54,778	15,82,469	4,63,407	56,73,840	37,91,944	30,63,792
Sub - Total	253,30,952	143,52,481	19,61,917	377,21,516	107,38,470	44,92,311	17,47,249	134,83,532	242,37,984	145,92,482
Intangible Assets										
Computer Software	35,22,416	-	-	35,22,416	27,65,038	2,45,984	-	30,11,022	5,11,394	7,57,378
Sub - Total	35,22,416	-	-	35,22,416	27,65,038	2,45,984	-	30,11,022	5,11,394	7,57,378
Total	288,53,368	143,52,481	19,61,917	412,43,932	135,03,508	47,38,295	17,47,249	164,94,554	247,49,378	153,49,860

(Amount in ₹)

Particulars	Gross Block				Depreciation				Net Block	
	As on 01.04.2015	Additions	Deletions	As on 31.03.2016	Upto 01.04.2015	For the Year	Withdrawn	Upto 31.03.2016	As on 31.03.2016	As on 31.03.2015
Tangible Assets										
Land	6,74,000	-	-	6,74,000	-	-	-	-	6,74,000	6,74,000
Improvements to Leased Building	27,73,762	14,40,049	-	42,13,811	15,63,389	2,84,862	-	18,48,251	23,65,560	12,10,373
Furniture & Fixtures	45,10,120	18,16,179	-	63,26,299	18,34,783	6,03,526	-	24,38,309	38,87,990	26,75,337
Vehicles	18,90,457	-	-	18,90,457	2,36,427	2,08,066	-	4,44,493	14,45,964	16,54,030
Office Equipments	23,31,958	22,75,857	-	46,07,815	9,23,149	5,29,490	-	14,52,639	31,55,176	14,08,809
Computers	54,83,169	21,35,401	-	76,18,570	35,64,653	9,90,125	-	45,54,778	30,63,792	19,18,516
Sub - Total	176,63,466	76,67,486	-	253,30,952	81,22,401	26,16,069	-	107,38,470	145,92,482	95,41,065
Intangible Assets										
Computer Software	28,86,116	6,36,300	-	35,22,416	26,27,947	1,37,091	-	27,65,038	7,57,378	2,58,169
Sub - Total	28,86,116	6,36,300	-	35,22,416	26,27,947	1,37,091	-	27,65,038	7,57,378	2,58,169
Total	205,49,582	83,03,786	-	288,53,368	107,50,348	27,53,160	-	135,03,508	153,49,860	97,99,234



INDIAN ASSOCIATION FOR SAVINGS AND CREDIT

Note No. 15 REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	2016-17	2015-16
Revenue from Operations		
Commission Income	3397,85,955	2814,36,617
Other operating income		
Interest on Margin Deposits	137,41,453	108,93,284
Interest on Inter Corporate loan	6,65,444	1,60,767
	3541,92,852	2924,90,668

Note No. 16 OTHER INCOME

Particulars	2016-17	2015-16
Miscellaneous Income	21,972	16,945
Amount received for CSR	21,49,200	20,98,360
Less: Amount spent (Refer Note No.33)	(21,49,200)	(20,98,360)
	21,972	16,945

Note No. 17 EMPLOYEE BENEFITS EXPENSE

Particulars	2016-17	2015-16
Salaries & Wages	1457,06,212	823,16,487
Contribution to PF and Other Funds	170,22,663	98,11,240
Staff Welfare Expenses	61,00,421	31,39,500
	1688,29,296	952,67,227

Note No. 18 FINANCE COST

Particulars	2016-17	2015-16
Interest Expense	34,06,783	49,84,183
Other Borrowing Costs	2,44,713	23,33,180
	36,51,496	73,17,363



Note No. 19 OTHER EXPENSES

Particulars	2016-17	2015-16
Travelling & Conveyance	50,14,177	135,08,841
Postage & Telephone	73,35,102	41,22,239
Insurance	25,85,902	11,81,242
Rent	125,77,839	63,38,486
Electricity Charges	16,04,202	9,24,453
Printing and Stationery (net off recoveries)	99,35,824	69,24,701
Repair & Maintenance		
- Computers	9,72,674	2,44,492
- Vehicle	1,86,252	1,03,470
Office Upkeep and Maintenance	42,36,206	27,34,338
Software Usage Charges	38,52,144	22,57,827
Professional & Legal Expenses	55,70,386	51,04,613
CSR Expenses	26,77,841	-
Auditors Remuneration	6,51,000	6,49,000
Rates & taxes	2,99,387	2,26,961
Assets discarded written off	2,14,668	-
Service tax paid	5,29,835	8,22,078
Bank Charges	9,56,725	4,49,284
Training Expenses	1,04,629	4,32,493
Bad debts written off	18,89,317	17,37,665
Miscellaneous Expenses	2,30,588	2,06,946
	614,24,698	479,69,129

Remuneration to auditors (excluding service tax)	2016-17	2015-16
a. for Statutory Audit	5,00,000	5,00,000
b. for Taxation Matters	1,25,000	1,25,000
c. for Reimbursement of expenses	26,000	24,000
	6,51,000	6,49,000



INDIAN ASSOCIATION FOR SAVINGS AND CREDIT
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

20 Acceptance of Public Deposits:

The Board of Directors have passed a resolution on 25th April 2016 stating that they will not accept any public deposits for the financial year 2016-2017.

21 Tax Liabilities under dispute:

a) In view of the decision of the Board of Directors not to proceed further in getting the exemption U/s 11/ 12 A of the Income Tax Act, the income earned during the year has been appropriately considered for taxation.

b) The company has received a notice of demand amounting to ₹ 3,20,043 in respect of income tax for the Assessment Year 2008-09. The company has filed a rectification petition u/s 154 as per income tax Act, 1961 to rectify the assessment and cancel the demand, which is pending disposal. No provision has been made for the same in the books of accounts.

c) The company has received a notice of demand amounting to ₹ 46,970 in respect of income tax for the Assessment Year 2012-13. The company has filed a rectification petition u/s 154 as per income tax Act, 1961 to rectify the assessment and cancel the demand, which is pending disposal. No provision has been made for the same in the books of accounts.

d) Income Tax Assessments are completed provisionally up to the Assessment Year 2014-15. The balances in prepaid taxes and provision for taxation are subject to reconciliation consequent to certain differences in the crystallized and uncrystallized demands between the company and the Income tax department. The matter is being attended to and the necessary adjustment/ reconciliation entries will be passed in the books of accounts as and when the pending issues are sorted out. In the opinion of the company, the provision carried in the books of accounts for taxation is adequate.

22 Contingent Liability: (Amount in ₹)

Particulars	2016-17	2015-16
Disputed Income tax demand payable not provided for:	7,00,013	7,00,013
First Loss Default Guarantee	(to the extent of Margin Deposits)	

The effects of demonetisation led to the Portfolio at Risk (PAR) of Rs.21.32 lakhs as at 31.03.2017. The RBI had vide notification on November 2016 and subsequently in December 2016 granted an additional 60 days for classification of accounts as Non Performing Assets (NPAs) for repayment of dues between 1st November to 31st December 2016. Based on the notification, the micro finance loans facilitated by the company to Self Help Group (SHG)/ Joint Liability Group (JLG) on behalf of the lending banks have not been classified as NPA as on 31st March 2017 by the respective banks in respect of default of dues during the period November to December 2016. The banks have also not invoked the first loss default guarantee (FLDG) on the company which they were entitled to otherwise. Consequently, no provision has been made in the books of accounts for the year ended 31st March 2017.

23 The balances in parties account are subject to confirmation and reconciliation, if any. However in the opinion of the management, balances in parties account are recoverable at least to the extent stated in the balance sheet.

24 There are no interest amounts paid / payable to Micro and Small Enterprises. The information in relation to dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the auditors.

25 The Company, as a Lessee, has entered into various agreements for lease of buildings for its business ranging from one year to five years in the nature of operating lease with an option to renew the lease.

The Future minimum Lease payments are as follows:

Particulars	2016-17	2015-16
Within one year	154,49,200	73,72,594
After one year but not more than five years	396,30,076	121,15,946
More than five years	74,44,580	-

26 CSR Expenditure: (Amount in ₹)

	2016-17	2015-16
	₹	₹
a. Gross Amount required to be spent by the Company towards during the year	14,45,317	4,56,832
b. Amount spent during the year	26,77,841	-

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/ Acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	26,77,841	-	26,77,841

27 Disclosure u/s 186 of the Companies Act, 2013 relating to loans granted and guarantees furnished:

Name of the Company	31-03-2017	31-03-2016	Purpose
Nirantara FinAccess Private Limited	40,00,000	-	Working capital
Saggraha Management Services Private Limited	75,00,000	-	Working capital
Total	115,00,000	-	



28 **Particulars regarding defined benefit plan:**

The company operates a defined benefit plan for payment of post employment benefit in the form of gratuity. Benefits under the plan are The company has funded the plan through the Group Gratuity Policy with Life Insurance Corporation of India.

(Amount in ₹)

Particulars	2016-17	2015-16
Principal Actuarial Assumptions :		
Discount Rate	6.72%	7.71%
Salary escalation rate	18.00%	11.00%
Attrition Rate	16.00%	16.00%
Expected rate of return on plan Assets	6.72%	8.00%
Changes in the present value of the obligation:		
Present Value of Obligations as at the beginning of the period	44,78,345	25,27,872
Interest cost	3,33,725	1,82,925
Current service cost	27,19,131	17,23,059
Benefits paid	(2,99,762)	(3,10,626)
Actuarial (Gains) / Loss on obligation	13,52,296	3,55,115
Present Value of Obligations as at the end of the period	85,83,735	44,78,345
Changes in the fair value of plan assets:		
Fair value of plan assets as at the beginning of the period	24,85,652	6,13,271
Expected return on plan assets	2,57,580	1,14,076
Contributions	29,92,693	19,39,601
Benefits paid	(2,99,762)	(3,10,626)
Actuarial Gain/ (Loss) on plan assets	(72,124)	1,29,330
Fair value of plan assets as at the end of the period	53,64,039	24,85,652
Amounts recognised in the balance sheet:		
Present value of the obligation	85,83,735	44,78,345
Fair value of plan assets	53,64,039	24,85,652
(Assets)/Liability	32,19,696	19,92,693
Net (Asset)/ Liability recognised in the balance sheet	32,19,696	19,92,693
Expense recognised in the statement of profit and loss :		
Current service cost	27,19,131	17,23,059
Interest cost	3,33,725	1,82,925
Expected return on plan assets	(2,57,580)	(1,14,076)
Net actuarial (gain)/ loss recognised in the year	14,24,420	2,25,785
Past service cost-vested benefits	-	-
Expenses recognised in the statement of profit and loss	42,19,696	20,17,693
Major Categories of plan assets : (as percentage of total plan assets)		
Funds Managed by Insurance Companies	100%	100%

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Amount for the current period and 4 previous reporting periods:					
Present Value of Obligation	85,83,735	44,78,345	25,27,872	9,63,728	7,05,283
Plan Assets	53,64,039	24,85,652	6,13,271	6,65,939	8,62,893
Surplus/(Deficit)	(32,19,696)	(19,92,693)	(19,14,601)	(2,97,789)	1,57,610
The experience adjustments arising on the plan liabilities - (Loss)/Gain	(38,39,393)	6,14,358	(5,47,662)	(1,00,767)	(61,307)
The experience adjustments arising on the plan assets - (Loss)/Gain	72,124	(1,29,330)	(82,064)	(61,218)	4,442



INDIAN ASSOCIATION FOR SAVINGS AND CREDIT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

29 Disclosure in respect of Specified Bank Notes:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08-11-2016	-	25,489	25,489
Add: Permitted receipts	2391,70,500	3704,61,629	6096,32,129
Less: Permitted payments	-	22,037	22,037
Less: Amount deposited in banks	2391,70,500	3704,61,629	6096,32,129
Closing cash in hand as on 30-12-2016	-	3,452	3,452

30 Segment Information:

- The company operates in one business segment i.e., authorised business correspondent of banks and financial institutions. All the operations are carried out in India and hence there is no geographical segment to be reported.

31 Earnings per share:

(Amount in ₹)

Particulars	2016-17	2015-16
Profit after Tax	741,48,430	902,28,178
Equity Shares of ₹ 10 each (No.s)	6,00,000	6,00,000
Weighted Average No. of Shares	6,00,000	6,00,000
Basic Earnings Per Share (in ₹)	123.58	150.38
Diluted Earnings Per Share (in ₹)	123.58	150.38

32 Related Party Disclosures:

(i) List of related parties with whom transactions have taken place during the year 2016-17 and relationship:

(a) Holding Company:

- New Opportunity Consultancy Private Limited

(b) Associate:

- Suryoday Micro Finance Private Limited (Ceased to be an Associate w.e.f 20-04-2015)

(c) Key Management Personnel: Mr. Ganesh Rao

(d) Others: (Enterprise over which key management personnel are able to exercise significant influence)

- Nil

(ii) Related Party Transactions:

(Amount in ₹)

Nature of Transactions	Holding Company		Key Management Personnel	
	2016-17	2015-16	2016-17	2015-16
Salary paid	-	-	-	11,59,350
Interest Expenses	20,97,864	34,79,868	-	-
Loan received during the year	140,00,000	45,00,000	-	-
Loan repaid during the year	140,00,000	188,00,000	-	-
Amount payable	110,00,000	110,00,000	-	-

33 The Company, being a company registered u/s 8 of the Companies Act, 2013, has received an amount of ₹ 21,49,200 (previous year ₹ 20,98,360) for the purpose of conducting CSR activity and has accordingly spent an equal amount for the said purpose.

34 The Company was a small and medium sized company as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act during the year ended 31-03-2016. The Company ceased to be a small and medium sized company during the year.

35 Previous years figures have been regrouped, reclassified and rearranged wherever necessary to conform to the current years classification.

36 Figures have been rounded off to the nearest rupee.

Vide our report of date attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

C.S. Sathyaparanian
Partner
Membership No. 028328

Place : Coimbatore
Date : 09-05-2017



For and on behalf of the Board of Directors

Ganesh Ramanand Rao
Director
DIN: (02302989)

V.K. Mohan
Director
DIN: (06987472)