



Indian Association for  
Savings and Credit

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the audited accounts of the Company for the financial year ended March 31, 2016.

#### 1. Financial Results

(Rs. In Lacs)

Particulars	For The Year Ended March 31, 2016	For The Year Ended March 31, 2015
Income from Operations	2923.32	1605.01
Other Income	1.75	4.09
Total Income	2925.07	1609.10
Less : Expenditure including depreciation	1533.06	934.55
Profit/(Loss) before Tax	1392.00	674.54
Tax Expense	489.72	232.32
Profit / (Loss) After Tax	902.28	457.39

#### 2. Results of operations/activities:

During the financial year under review, the income of the Company has increased from Rs. 1609.10 lacs in FY'15 to Rs. 2925.07 lacs in FY'16, registering a growth of 181.78%. IASC identified and launched a number of initiatives to improve staff and branch productivity through a business process review. These initiatives would help to optimize the cost of operations. With greater efficiency in productivity and control on expenses, the company has earned an operating profit of Rs. 902.28 lacs as compared to Rs.457.39 lacs in 2015.

#### 3. Business Details

Your directors states that, India is one the fastest growing economy in the world, the country's GDP has seen growth over 7% in the last year and it is expected to grow faster this year. Your directors also states that, Government of India has launched various national programmes such as Make in India , Digital India, Skill India , Start-up Inia, Swachh Baharat, Smart City and more importantly Jan Dhan also popularly known as JAM. These programs particularly JAM and Digital India provide significant impetus to Reach, Scale and reduce cost of delivery in microfinance sector.

Post the AP crisis, the timely intervention of Regulators, the emergence of SRO and microfinance dedicated credit bureau has acted as catalyst to significant and sustainable growth

Corporate Office : 726 / B, Srivenky Complex, Cross Cut Road, (Near Fly Over), Coimbatore - 641 012.  
Tel : 91 - 422 - 2497898 www.iasc.in

Registered Office : 906, Cyber One, 9th Floor, Plot No. 4&6, Sector 30-A, Vashi, Navi Mumbai - 400 703.

CIN No. : U91110MH1998NPL113558

in microfinance industry. In the year under review, the NABARD led Bank linkage SHG portfolio had total exposure of 57119 Crs, The NBFC MFI sector had an exposure of 50360 crs and in addition the direct lending of private Banks, NBFC (Non MFI) and loans sourced through Business Correspondent (BC) model had an estimated exposure of 40,000 crs taking the overall exposure to 1,50,000 crs .

### Growth Strategy

Key Growth Parameters	March 2015	March 2016
No of States	1	2
No of Branches	33	46
No of Employees	273	382
No of BC relationships	2	2
Area of Operation	Tamil Nadu	Tamil Nadu
		Kerala
Name of BC Banks	Yes Bank	Yes Bank
	IDBI Bank	IDBI Bank
Managed Portfolio (in Crore)	204.41	332.09
Growth in AUM YOY	62%	

Your directors also state that, while the significant growth record last year may have impact on the quality of portfolio, your company continues to invest in people and technology to strengthen our processes mitigate any impact and grow at a sustainable pace.

#### 4. Change in Nature of Business

There is no change in the nature of Business of your Company during the year under review.

#### 5. Amounts Transferred to Reserves

The company has made a profit of Rs 9,02,28,178 /- for the financial year ended 31st March 2016 which has been transferred to the reserves of the company.

#### 6. Changes in Share Capital

There is no change in the share capital of the Company during the financial year under review.

#### 7. Disclosure regarding issue of Employee Stock Options

Your Company has not implemented any Employees Stock Option Scheme for its employees.

#### 8. Extract of Annual Return

As per Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form MGT 9 is enclosed and form part of this report as **Annexure A**.

#### **9. Number of Board Meetings**

During the financial year ended 31st March 2016, Six (6) Board Meetings were held. The details are given below

<b>Board Meetings FY 2015-2016</b>	
<b>S No</b>	<b>Date of Meeting</b>
1	27 - 04 - 2015
2	02 - 07 - 2015
3	04 - 08 - 2015
4	09 - 10 - 2015
5	10 - 12 - 2015
6	03 - 02 - 2016

#### **10. Particular of Loans, Guarantees or Investments under Section 186 of Companies Act, 2013**

During the financial year, the Company has not given any guarantees or made investments under the provisions of Section 186 of the Companies Act, 2013 and the Rules framed thereunder.

During the financial year, the Company has extended an unsecured loan of up to Rs 20 Lakhs to M/s Nirantara Fin Access Private Limited, vide special resolution passed at the extra-ordinary general meeting of the shareholders held on 9<sup>th</sup> October 2015.

#### **11. Particulars of Contracts or Arrangements with Related parties**

During the financial year, the Company has not entered into any contract or Arrangement with Related Parties as per Section 188 of the Companies Act, 2013 and the Rules framed thereunder.

#### **12. Material Changes Affecting the Financial Position of the Company**

There are no material changes and commitments between 31st March 2016 and the date of this report having an adverse bearing on the financial position of the Company.

### 13. Conservation of Energy, Technological Absorption & Foreign Exchange Earnings/Outgo

#### (i) Conservation of Energy & Technological Absorption

Since your Company does not own any manufacturing facility, the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Section 134 of the Companies Act, 2013 and the Rules framed thereunder is not applicable.

#### (ii) Foreign Exchange Earnings/Outgo

Your Company does not have any foreign currency earnings or expenditure during the financial year ended 31st March 2016.

### 14. Human Resource Development

Your Company has strengthened staff training with the introduction of mandatory induction training to the new recruits by HR and on-the-job training of field and line staff by the Head of Operations, despite high rate of attrition which has been the general trend in the sector during the second half of the financial year. The same is complimented by way of periodic training sessions to staff as and when new processes are introduced in operations or accounts department. In addition, efforts were taken in streamlining various HR processes.

### 15. Details of Directors and Key Managerial Personnel

As on date of this report, your company's Board of Directors comprises of the following members, namely:

1. Jasbinder Singh Toor
2. Krishnamurthy Vadakandarai Mohan
3. Meenakshi Rao Ganesh
4. Ganesh Ramanand Rao

Mr. Ganesh Rao was appointed as Non-Executive Director at the 17<sup>th</sup> AGM of the company held on 25<sup>th</sup> September 2015.

Ms Meenakshi Rao Ganesh was appointed as Non-Executive Director at the 17<sup>th</sup> AGM of the company held on 25<sup>th</sup> September 2015.

Mr Krishnamurthy Vadakandarai Mohan, Non-Executive Director retires by rotation at the ensuing annual general meeting and being eligible has offered himself for re-appointment.

Mr. Baskar Babu resigned as director of the Company with effect from 2nd July 2015. The Board placed on record its appreciation for the services rendered by him during his tenure as director of the Company.

#### **16. Details of Significant & Material Orders passed by the Regulators or court or tribunal**

During the financial year, there are no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and your company's operations in future.

#### **17. Internal Audit and Controls**

The scope of Internal Audit Includes, operational and financial aspects such as proper documentation, credit appraisal, detection of frauds, surprise field inspection and transaction verification. This process has helped your Company to strengthen the internal audit function. During the year, a separate Risk control team has been integrated with the Audit team to strengthen the audit process.

#### **18. Monthly Review System**

Your Company has expanded the scope of the performance review where by the Management team will visit the branches every month and hold review with the staffs. The above review practice is highly useful in the following areas:

- Direct impact on the employee performance
- Possibility of direct feedback regarding the field reality
- Improving the motivation levels of employees
- Better focus on identification of skill sets.

#### **19. Non Performing Assets**

Your Company has formed a special team with an exclusive focus on recovery of NPA accounts. During the year, the NPA management team has put their efforts to recover the due from customers.

#### **20. Deposits**

Your Company has not accepted any deposits during the year under review.

#### **21. Auditors**

##### **Statutory Auditors**

M/s Haribhakti & Co, Chartered Accountants., were appointed as the statutory auditors of the Company at the 16<sup>th</sup> Annual General Meeting (AGM) of shareholders held on 26<sup>th</sup> September 2014, to hold office from the conclusion of the 16<sup>th</sup> AGM upto the conclusion of the AGM to be held in calendar year 2019, on such remuneration as may be fixed in this behalf by the Board of Directors of the Company in consultation with them.

As per Section 139 of the Companies Act, 2013, their appointment is subject to ratification at every AGM held subsequently to the 16<sup>th</sup> AGM.

M/s Haribhakti & Co, Chartered Accountants., Chartered Accountants have given their consent for their appointment to be ratified at the ensuing 17<sup>th</sup> AGM and have given a certificate pursuant to section 139 of the Companies Act, 2013, confirming that their appointment, if ratified, will be in accordance with the specified limits.

The Board of Directors recommend to the shareholder that the appointment of M/s Haribhakti & Co, Chartered Accountants., (Firm Regn. No. 103523W) as the Statutory Auditors of the Company may be ratified at the ensuing 17<sup>th</sup> Annual General Meeting. The report of the Auditors to the Shareholders is attached herewith.

The notes to the accounts forming part of the financial statements are self-explanatory and need no further clarifications or explanations.

## **22. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

The Company has in place an Anti-Sexual Harassment Policy named "Policy Against Sexual Harassment" in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committees (ICC) has been set up to redress complaints received regarding sexual harassment.

Your Directors further state that during the year under review, no complaints have been received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **23. CSR Initiatives:**

The dedicated CSR team is focused on Skill building and Education. We strongly believe that these 2 areas are fundamental to bring transformation in our society. Our Social officers, through their interaction with the customers identify the several needs in skill development. Further, in collaboration with our associate partners conduct such skill imparting programs at the locations convenient to our members at no cost. During the year under review we

conducted 32 skill development programs, helping close to 5000 members. The initiative to take basic education to the door steps of not so privileged students through our flagship program "Nukkad Patashala" has gained momentum. We are now running 40 Nukkad centres, more than 60 teachers are happily and actively imparting knowledge to more than 1400 students.

\*List of activities and Nukkad Patashala is attached in annexure B

#### **24. Directors' Responsibility Statement**

To the best of their knowledge and belief, and according to the information and explanations obtained by them, your Directors confirm the following in terms of Section 134 of the Companies Act, 2013 and the Rules made thereunder:-

- 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 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.

#### **Acknowledgement**

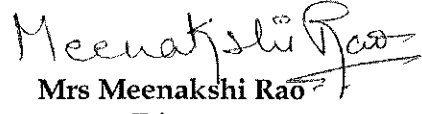
Your Directors wish to thank the customers, bankers, shareholders, service agencies and other stakeholders for their support. The directors also thank the employees for their contribution during the financial year under review.

**Mumbai**  
**Date:**



For and on behalf of the Board of Directors

  
**Mr Ganesh Rao**  
Director  
DIN: 02302989

  
**Mrs Meenakshi Rao**  
Director  
DIN: 0674870

**Annexure - A**

**Extract of Annual Return**

**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on 31/03/2016  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- (i) CIN : U91110MH1998NPL113558  
(ii) Registration Date : 13/02/1998  
(iii) Name of the Company: INDIAN ASSOCIATION FOR SAVINGS AND CREDIT  
(iv) Category / Sub-Category of the Company: Company Limited by Shares  
(v) Address of the Registered office and contact details:

906 Cyber One, 9<sup>th</sup> Floor, Plot No. 4 & 6 Sector 30A, Vashi, Navi Mumbai  
Mumbai City - 400703

(vi) Whether listed company : Yes/No

(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: NA

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Business Correspondent of various private and public sector banks	82990	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

S.No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/	% of shares
------	---------------------------------	---------	-------------------------	-------------





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			Associate	held
1	New Opportunity Consultancy Private Limited	U93030MH2014PTC252078	Holding Company	99.98

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoters</b>									
<b>(1) Indian</b>									
(a) Individual /HUF	-	-	-	-	-	-	-	-	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt	-	-	-	-	-	-	-	-	-
(s)									
(d) Bodies Corp.	-	-	-	-	-	-	-	-	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1)</b>	-	-	-	-	-	-	-	-	-

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<b>(2) Foreign</b>									
(a) NRIs - Individuals	-	-				-	-	-	
(b) Other - Individuals	-	-				-	-	-	
(c) Bodies Corp.	-	-				-	-	-	
(d) Banks / FI	-	-				-	-	-	
(e) Any Other....	-	-				-	-	-	
<b>Sub-Total (A) (2)</b>	-	-				-	-	-	
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	-	-				-	-	-	

Category	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%
									of Change during the Year
of									
Shareholders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds									
(b) Banks/FI									
(c) Central Govt									

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(d) State Govt (s)									
(e) Venture Capital funds									
(f) Insurance Companies									
(g) FIIs									
(h) Foreign Venture Capital Funds									
(i) Others (Specify)									
Sub-Total (B)(1)	---	---	---	---	---	---	---	---	---
<b>(2) Non- Institutions</b>									
<b>(a) Bodies Corp</b>									
i. Indian	-	5,99,870	5,99,870	99.98	-	5,99,870	5,99,870	99.98	



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ii. Overseas	-	-			-	-			
(b) individuals									
i. Individual shareholders									
holding nominal	-	130	130	0.02	-	130	130	0.02	
share capital up to									
Rs. 1 lakh									
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh					-	-	-	-	
(C) Others (Specify)									
Sub-Total (B)(2)		6,00,000	6,00,000	100	-	6,00,000	6,00,000	100	6,00,000
Total Public Shareholding									
= (B) (1) + (B) (2)									

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C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total		6,00,000	6,00,000	100	-	6,00,000	6,00,000	100	-
(A+B+C)									

**(ii) Shareholding of Promoters:**

S.No	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1								-
2								
Total								

**(iii) Change in Promoters' Shareholding ( please specify, if there is no change):**



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S.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No Change in Holding			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

*(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):*

S.No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	New Opportunity Consultancy Private Limited	305934	50.99	5,99,870	99.98
2	Suryoday Micro Finance Private Limited	293936	48.99	-	-
3	Modi Sanjay Sonal	20	0.0033	20	0.0033
4	Munjee M Naseer	10	0.0016	10	0.0016
5	Mehta G Satish	10	0.0016	10	0.0016
6	Kumar M Susir	10	0.0016	10	0.0016
7	Krishnamurthy K G	10	0.0016	10	0.0016
8	Swaminathan K S	10	0.0016	10	0.0016
9	K. Anand Balaji	10	0.0016	10	0.0016
10	B.G.Shiva	10	0.0016	10	0.0016

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	Shanakar adiga				
11	Dattatrya deshmukh	10	0.0016	10	0.0016
12	Vikrant Vishwas Bhagwat	10	0.0016	10	0.0016
13	Yagnaraman S	10	0.0016	10	0.0016
14	Narayan Vasudeva Rao	10	0.0016	10	0.0016

**(v) Shareholding of Directors and Key Managerial Personnel:**

S.No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Directors</b>					
1	-	-	-	-	-
2	-	-	-	-	-
3	-	-	-	-	-
<b>Key Managerial Personnel</b>					
1	-	-	-	-	-

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment



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	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
Addition				
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount(Rs)
1	Gross salary		NIL
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	
(b)	Value of perquisites u/s	NIL	

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	17(2) Income-tax Act, 1961		
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	
2	Stock Option	NIL	
3	Sweat Equity	NIL	
4	Commission - as % of profit - others, specify...	NIL	
5	Others, please specify	NIL	
Total (A)			NIL
Ceiling as per the Act			NIL

**B. Remuneration to other Directors:**

S.No	Particulars of Remuneration	Name of Directors				Total Amount (Rs)
	<ul style="list-style-type: none"> <li>• Fee for attending board / committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	-	-	-	-	
Total (2)						
Total (B) = (1)+(2)						
Total Managerial Remuneration						
Overall Ceiling as per the Act						

**C. Remuneration to key managerial personnel other than MD/MANAGER/WTD:**

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S.No	Particulars of Remuneration			
		CS	CFO	Total
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
Total (A)		-	-	-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	NONE				
Punishment					



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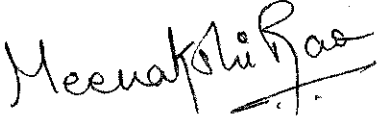
Compounding	
C. OTHER OFFICERS IN DEFAULT	
Penalty	NONE
Punishment	
Compounding	

For and on behalf of the Board of Directors



Mumbai

  
Mr Ganesh Rao  
Director  
DIN: 02302989

  
Mrs Meenakshi Rao  
Director  
DIN:

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## Annexure-B

### IASC - Customer Engagement Activity (CSR)

#### 1. Nukkad Patashala:

Nukkad Patashala is a progressive idea to spread the importance of knowledge and growth. This programme seeks to bring to every corner or Nukkad an unrivalled passion to learn. Nukkad Patashala hopes to deliver Basic English, mathematics and science skills to people of varied age groups- ranging from five to fifty. The objective of this program is to instill confidence and passion for knowledge and help them continue to climb to the stairwell of success. Currently we have 41 Patashala across 8 districts and more than 1200 children's are benefited under this program.

#### List of Nukkad Patashala:

District	Nukkad Center location	no. of Students enrolled
Tuticorin	Karunanidhi Nagar	30
Tuticorin	Sunamicolony	35
Tuticorin	Kumarapannainur	30
Tuticorin	Narasinganvilai	35
Tuticorin	Anbinnagar	35
Tuticorin	N.Subbayapuram	30
Tuticorin	Sivajinagar	25
Tuticorin	Murugancolony	25
Tuticorin	Sivananapuram	25
Tuticorin	Kannicheryputhur	30
Udumalpet	Udumalpet	25
Udumalpet	Rajapuram	30
Udumalpet	Karikaranpudur	35
Udumalpet	Dharapuram	30
Udumalpet	Somanadurai chitur	30
Udumalpet	Vellakoil	30
Madurai	Sarviyer Colony	25
Madurai	Aramani pudur	30
Madurai	Cumbum	35
Madurai	Kuttiyapatti	30
Madurai	Thummakundu	35
Madurai	Dindugul -2	45



Indian Association for  
Savings and Credit

Coimabto	Eallaikadu	35
Coimabto	Thottipalayam	25
Coimabto	Thodamuthur	35
Coimabto	Mandripalayam	30
Coimabto	Nathaji Nager	35
Salem	Adhikaripatti	25
Salem	Cinnappampatti	25
Salem	Harur	20
Salem	Ammapatta	35
Salem	Nambipatti	30
Namakkal	Molippalli	25
Namakkal	Pudhupatti	20
Namakkal	Thusur	25
Namakkal	Belur	48
Trichy	Kattur	35
Trichy	Lalkudi	25
Thanjavor	Pooundi	55
Thanjavor	Kuthukovil	35
		1243

**Livelihood through vocational skill development programs:** We believe that the goal of financial inclusion is incomplete unless we enhance the livelihood capabilities of the needy. To achieve this objective we give access to locally suitable, sustainable livelihood skills and provide technical, negotiating, and networking skills along with Bank credit to SHGs enabling them fulfill these gaps. IASC has a dedicated team to identify various training requirements our SHG members. We in association with our training partners conduct these training programs in a convenient location. During the year under review we conducted 32 skill development programs, helping close to 5000 members.

	Skill developement program	Teraining period	Members participated
1	BPO / tele calling	60days	30
2	Industrial Welding	60days	35
3	Health Care	90days	30
4	CAD Machine operators	45 days	25
5	Cell Phone repaid Services	30days	100
6	Manufacturing sanitary napkins	30 days	120
7	Jute Bag	25 days	150
8	Four Wheeler repair & Services	180 days	20
9	House Keeping	30days	10

Corporate Office : 726 / B, Srivenky Complex, Cross Cut Road, (Near Fly Over), Coimbatore - 641 012.  
Tel : 91 - 422 - 2497898 www.iasc.in

Registered Office : 906, Cyber One, 9th Floor, Plot No. 4&6, Sector 30-A, Vashi, Navi Mumbai - 400 703.

CIN No. : U91110MH1998NPL113558



Indian Association for  
Savings and Credit

10	A/C repair and serives	60days	40
11	Sari Printing	30days	250
12	Foot Mat manufacturing	25days	60
13	Ari work	25days	200
14	DTP	45days	100
15	Tally	90days	120
16	manufacturing toys	30days	250
17	Cottage Product	15days	500
18	Advanced Beautician	180days	500
19	Tailoring	90days	800
20	Hand Embrodirey	21days	350
21	Artificial Jewelery Making	15days	300
22	Terikota Jewelery Making	15days	60
23	Bakery Product	30days	150
24	Machine Embroidery	90days	120
25	Fast Food	15days	30
26	Two Wheeler repair & Services	180days	15
27	UPS & Inventor Services	90days	25
28	Type Writing	90days	20
29	Jute Product	30days	200
30	Laptop repair & Servies	30days	27
31	Electrician	365days	15
32	Banna Fiber Producet	21days	150
			<b>4802</b>

We take this opportunity to thank all our training partners in this life transforming endeavor.

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CIN No. : U91110MH1998NPL113558

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Indian Association for Savings and Credit**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Indian Association for Savings and Credit ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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, 2016, 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;



# HARIBHAKTI & CO. LLP

Chartered Accountants

- e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company 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 no.24 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.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W



C.S.Sathyanarayanan

Partner

Membership No.028328



Coimbatore,

June 20, 2016

## 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 31<sup>st</sup> March 2016]

### 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, 2016 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, 2016, based on the essential components of internal control stated in the Guidance Note issued by ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W



C.S.Sathyanarayanan

Partner

Membership No.028328



Coimbatore,

June 20, 2016

**INDIAN ASSOCIATION FOR SAVINGS AND CREDIT**  
(Registered under Section 8 of the Companies Act, 2013)  
**Balance Sheet as at 31st March 2016**

( Amount in ₹ )

PARTICULARS	Note No.	31-03-2016	31-03-2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	60,00,000	60,00,000
Reserves and Surplus	3	16,06,86,381	7,04,58,203
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	2,34,79,643	4,08,77,310
Deferred Tax Liabilities (Net)	5	-	1,68,505
Long Term Provisions	6	-	38,016
<b>Current Liabilities</b>			
Other Current Liabilities	7	7,76,30,392	4,71,41,285
Short Term Provisions	8	2,47,89,038	27,29,809
<b>Total</b>		<b>29,25,85,454</b>	<b>16,74,13,128</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	9	1,45,92,482	95,41,065
Intangible Assets		7,57,378	2,58,169
Deferred tax assets (Net)	5	5,81,626	-
Long-Term Loans and Advances	10	1,23,69,192	1,04,11,724
Other Non-Current Assets	11	5,25,00,000	8,72,00,000
<b>Current Assets</b>			
Trade Receivables	12	3,05,87,441	62,76,123
Cash and Cash Equivalents	13	17,87,82,176	5,18,94,440
Short-Term Loans and Advances	14	17,21,031	9,95,570
Other Current Assets	15	6,94,128	8,36,037
<b>Total</b>		<b>29,25,85,454</b>	<b>16,74,13,128</b>

Significant Accounting Policies

1

The accompanying notes 1 to 33 are an integral part of the financial statements

Vide our report of date attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

C.S. Sathyanarayanan

Partner

Membership No. 028328



For and on behalf of the Board of Directors

Director

Director

Place : Coimbatore

Date : 20-06-2016



**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 2016

( Amount in ₹ )

PARTICULARS		Note No.	2015-16	2014-15
I.	Revenue from Operations	16	29,23,32,233	16,05,01,101
II.	Other Income	17	1,75,380	4,09,011
III.	<b>Total Revenue (I + II)</b>		<b>29,25,07,613</b>	<b>16,09,10,112</b>
IV.	<b>Expenses:</b>			
	Employee Benefit Expenses	18	9,52,67,227	4,68,65,118
	Finance Costs	19	73,17,363	65,72,959
	Depreciation and Amortization Expenses	9	27,53,160	24,45,519
	Other expenses	20	4,79,69,129	3,75,72,150
	<b>Total Expenses</b>		<b>15,33,06,879</b>	<b>9,34,55,746</b>
V	<b>Profit before Exceptional Items and Tax ( III - IV)</b>		<b>13,92,00,734</b>	<b>6,74,54,366</b>
VI	<b>Add: Exceptional Items</b>		-	<b>15,17,908</b>
VII	<b>Profit before Tax ( V + VI)</b>		<b>13,92,00,734</b>	<b>6,89,72,274</b>
VIII.	<b>Tax Expense:</b>			
	(1) Current tax		4,95,00,000	2,15,00,000
	(2) Deferred Tax charged / (reversed)		(7,50,131)	11,38,690
	(3) Taxation for earlier years		2,22,687	5,93,657
IX	<b>Profit for the period (VII - VIII)</b>		<b>9,02,28,178</b>	<b>4,57,39,927</b>
X	<b>Earnings Per Equity Share of face value ₹10 each</b> - Basic & Diluted	28	150.38	76.23

Significant Accounting Policies

1

The accompanying notes 1 to 33 are an integral part of the financial statements

Vide our report of date attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W



For and on behalf of the Board of Directors

C.S.Sathyanarayanan

Partner

Membership No. 028328

  
Director

  
Director

Place : Coimbatore

Date : 20-06-2016

**INDIAN ASSOCIATION FOR SAVINGS AND CREDIT**  
(Registered under Section 8 of the Companies Act, 2013)  
**Cash Flow Statement for the year ended 31st March 2016**

( Amount in ₹ )

Particulars	2015-16		2014-15	
	in ₹	in ₹	in ₹	in ₹
<b>A.Cash flows from operating activities</b>				
Net profit before taxation and extraordinary items		13,92,00,734		6,89,72,274
<b>Adjustments for:</b>				
Depreciation	27,53,160		9,27,611	
(Profit)/Loss on sale of assets (net)			(1,88,233)	
Interest expense	73,17,363	1,00,70,523	65,72,959	73,12,337
<b>Operating profit before working capital changes</b>		14,92,71,257		7,62,84,611
- (Increase)/decrease in trade receivables	(2,43,11,318)		(26,24,395)	
- (Increase)/decrease in loans and advances	3,15,79,195		(6,10,22,648)	
- (Increase)/decrease in Other Current assets	1,41,909		10,24,964	
- (Decrease)/increase in liabilities and provisions	3,10,25,665	3,84,35,451	2,65,42,334	(3,60,79,745)
<b>Cash generated from operations</b>		18,77,06,708		4,02,04,866
Income taxes refund/(paid)		(2,73,41,690)		(2,08,32,586)
<b>Net cash from operating activities - (A)</b>		<b>16,03,65,018</b>		<b>1,93,72,280</b>
<b>B.Cash flows from investing activities</b>				
Purchase of Fixed Assets		(83,03,786)		(65,95,517)
Proceeds from sale of Assets		-		3,45,000
<b>Net cash from investing activities - (B)</b>		<b>(83,03,786)</b>		<b>(62,50,517)</b>
<b>C.Cash flows from financing activities</b>				
Proceeds from borrowings (Net)		-		1,79,865
Repayment of borrowings (Net)		(1,78,56,133)		-
Interest paid		(73,17,363)		(65,72,959)
<b>Net cash used in financing activities - (C)</b>		<b>(2,51,73,496)</b>		<b>(63,93,094)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>12,68,87,736</b>		<b>67,28,669</b>
<b>Cash and cash equivalents at the beginning of period</b>		<b>5,18,94,440</b>		<b>4,51,65,771</b>
Less: Bank Balances not considered as Cash & Cash equivalents as per AS 3		11,00,00,000		1,30,00,000
<b>Cash and cash equivalents at the end of period</b>		<b>6,87,82,176</b>		<b>3,88,94,440</b>

Vide our report of date attached  
For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.103523W

For and on behalf of the Board of Directors

C.S.Sathyanarayanan  
Partner  
Membership No. 028328



*[Signature]*  
Director

*[Signature]*  
Director

Place:Coimbatore  
Date: 20-06-2016



## INDIAN ASSOCIATION FOR SAVINGS AND CREDIT

### Notes to Financial Statements for the year ended 31st March 2016

#### 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 and engaged in the business of providing micro loans under SHG/JLG model, group based savings account and other related financial services etc at the doorstep of the members on behalf of the banks.

- The Company manages a portfolio of ₹ 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. 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) Fixed Assets & Depreciation:

a) Fixed Assets are stated at original cost less accumulated depreciation and accumulated amortization. Costs include all expenses related to acquisition and installation of the concerned assets.

b) 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.

c) Depreciation on tangible fixed assets other than improvements to leasehold building has been provided on Straight Line Method at useful lives specified in the Schedule II of the Companies Act, 2013.

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

###### iii) Investments:

a) Long Term Investments are stated at cost.

b) Current Investments are carried at lower of cost and fair value as on the Balance Sheet date.

c) Provision for diminution in value of long-term investments is made, if the diminution is other than temporary.



**iv) Foreign Currency Transaction :**

- a) Foreign Currency Transactions are recorded at exchange rates prevailing on the date of such transaction.
- b) 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.
- c) 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:**

- a) 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.
- b) Interest income on fixed deposits with banks is recognized on a time proportionate basis at the applicable interest rates.

**vi) Taxes on Income:**

- a) 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.
- b) 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.
- c) 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:**

- a) 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.
- b) 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:**

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.

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:



## EQUITY AND LIABILITIES

### Note No.2 SHARE CAPITAL

Particulars	As at 31.03.2016		As at 31.03.2015	
	In Numbers	Amount in ₹	In Numbers	Amount in ₹
<b>Authorised</b>				
30,00,000 Equity Shares of ₹ 10/- each	30,00,000	3,00,00,000	30,00,000	3,00,00,000
<b>Issued, Subscribed and Paid up</b>				
6,00,000 Equity Shares of ₹ 10/- Each	6,00,000	60,00,000	6,00,000	60,00,000
		<b>60,00,000</b>		<b>60,00,000</b>

#### 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 31.03.2016		As at 31.03.2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
New Opportunity Consultancy Private Limited	5,99,870	99.98%	3,05,934	50.99%
Suryoday Micro Finance Private Limited	-	-	2,93,936	48.99%
	<b>5,99,870</b>	<b>99.98%</b>	<b>5,99,870</b>	<b>99.98%</b>

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

Particulars	Equity Shares			
	As at 31.03.2016		As at 31.03.2015	
	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 immediately preceding 5 years.

#### e) Shares held by the Holding Company :

Particulars	Equity Shares			
	As at 31.03.2016		As at 31.03.2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
New Opportunity Consultancy Private Limited	5,99,870	99.98%	3,05,934	50.99%
	<b>5,99,870</b>	<b>99.98%</b>	<b>3,05,934</b>	<b>50.99%</b>





Note No.3 RESERVES & SURPLUS

Particulars	As at 31.03.2016	As at 31.03.2015
	Amount in ₹	Amount in ₹
<b>Surplus in the Statement of Profit &amp; Loss</b>		
Opening balance	7,04,58,203	2,47,18,276
Add : Net profit transferred from Statement of Profit and Loss	9,02,28,178	4,57,39,927
	<b>16,06,86,381</b>	<b>7,04,58,203</b>

Note No.4 LONG TERM BORROWINGS

Particulars	Non - Current portion		Current Maturities	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>Secured Loans</b>				
Vehicle Loan from Toyota Financial Services India Ltd	8,20,312	10,92,836	2,72,505	2,45,136
<b>Unsecured Loans</b>				
Loans from Holding Company	1,10,00,000	2,53,00,000	-	-
Loans from Financial Institutions	1,16,59,331	1,44,84,474	27,85,634	32,71,469
	<b>2,34,79,643</b>	<b>4,08,77,310</b>	<b>30,58,139</b>	<b>35,16,605</b>
Amount disclosed under the head Other Current Liabilities - Current maturities of Long term debts ( Refer Note No. 7)	-	-	(30,58,139)	(35,16,605)
	<b>2,34,79,643</b>	<b>4,08,77,310</b>	-	-

i) Vehicle Loan from Toyota Financial Services India Limited is secured by way of hypothecation of vehicle procured out of such loan. The loan is repayable in 42 monthly instalments. The interest is payable on monthly basis and the rate of interest is 10.50% per annum.

ii) Unsecured Loans from New Opportunity Consultancy Private Limited are repayable with variable maturity terms ranging between 40 to 44 months respectively. The interest is payable on monthly basis and the rate of interest is 18% per annum.

iii) Unsecured Loans from HDFC Limited are repayable with variable maturity terms ranging between 3 to 74 months respectively. The interest is payable on monthly basis and the rate of interest is in the range of 7.5% to 9% per annum.

Note No.5 DEFERRED TAX

Particulars	As at 31.03.2016	Charged / (Reversed) during the year	As at 31.03.2015
	Amount in ₹	Amount in ₹	Amount in ₹
<b>Deferred tax liability</b>			
- On Fixed Assets	2,83,574	1,15,069	1,68,505
A	<b>2,83,574</b>	<b>1,15,069</b>	<b>1,68,505</b>
<b>Deferred tax assets</b>			
- On disallowances under the Income tax Act	8,65,200	8,65,200	-
B	<b>8,65,200</b>	<b>8,65,200</b>	-
<b>Net deferred tax liability/(asset)</b>	<b>(5,81,626)</b>	<b>(7,50,131)</b>	<b>1,68,505</b>
A - B			



Note No.6 LONG TERM PROVISIONS

Particulars	As at	As at
	31.03.2016	31.03.2015
	Amount in ₹	Amount in ₹
Provision for Gratuity (Refer Note No.29)	-	38,016
	-	<b>38,016</b>

Note No.7 OTHER CURRENT LIABILITIES

Particulars	As at	As at
	31.03.2016	31.03.2015
	Amount in ₹	Amount in ₹
Current Maturities of Long Term Debts (Refer Note No.4)	30,58,139	35,16,605
Accrued Employee Benefits	26,41,920	5,71,458
Statutory Dues	58,82,112	10,77,219
Disbursement in Pipeline	3,12,22,613	2,48,47,579
Member insurance payable	2,01,51,223	55,44,644
Other payables and accruals*	1,46,74,385	1,15,83,780
	<b>7,76,30,392</b>	<b>4,71,41,285</b>

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

Note No.8 SHORT TERM PROVISIONS

Particulars	As at	As at
	31.03.2016	31.03.2015
	Amount in ₹	Amount in ₹
Provision for Taxation (Net)	2,27,96,345	8,53,224
Provision for Gratuity (Refer Note No.29)	19,92,693	18,76,585
	<b>2,47,89,038</b>	<b>27,29,809</b>

Note No.10 LONG TERM LOANS AND ADVANCES

Particulars	As at	As at
	31.03.2016	31.03.2015
	Amount in ₹	Amount in ₹
Unsecured, considered good		
Advance Income Tax (Net)	61,21,530	65,59,406
Security Deposits	62,47,662	38,52,318
	<b>1,23,69,192</b>	<b>1,04,11,724</b>

Note No.11 OTHER NON CURRENT ASSETS

Particulars	As at	As at
	31.03.2016	31.03.2015
	Amount in ₹	Amount in ₹
Unsecured, considered good		
Margin Deposits Account #	5,25,00,000	8,72,00,000
	<b>5,25,00,000</b>	<b>8,72,00,000</b>

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



Note No.9 - Fixed Assets

( 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
<b>Tangible Assets</b>									
Land	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
Furniture & Fixtures	45,10,120	18,16,179	-	63,26,299	18,34,783	6,03,526	-	24,38,309	38,87,990
Office Equipments	23,31,958	22,75,857	-	46,07,815	9,23,149	5,29,490	-	14,52,639	31,55,176
Vehicles	18,90,457	-	-	18,90,457	2,36,427	2,08,066	-	4,44,493	14,45,964
Computers	54,83,169	21,35,401	-	76,18,570	35,64,653	9,90,125	-	45,54,778	30,63,792
<b>Sub - Total</b>	<b>1,76,63,466</b>	<b>76,67,486</b>	<b>-</b>	<b>2,53,30,952</b>	<b>81,22,401</b>	<b>26,16,069</b>	<b>-</b>	<b>1,07,38,470</b>	<b>1,45,92,482</b>
<b>Intangible Assets</b>									
Computer Software	28,86,116	6,36,300	-	35,22,416	26,27,947	1,37,091	-	27,65,038	7,57,378
<b>Sub - Total</b>	<b>28,86,116</b>	<b>6,36,300</b>	<b>-</b>	<b>35,22,416</b>	<b>26,27,947</b>	<b>1,37,091</b>	<b>-</b>	<b>27,65,038</b>	<b>7,57,378</b>
<b>Total</b>	<b>2,05,49,582</b>	<b>83,03,786</b>	<b>-</b>	<b>2,88,53,368</b>	<b>1,07,50,348</b>	<b>27,53,160</b>	<b>-</b>	<b>1,35,03,508</b>	<b>1,53,49,860</b>

( Amount in ₹ )

Particulars	Gross Block			Depreciation				Net Block	
	As on 01.04.2014	Additions	Deletions	As on 31.03.2015	Upto 01.04.2014	For the Year	Withdrawn	Upto 31.03.2015	As on 31.03.2015
<b>Tangible Assets</b>									
Land	6,74,000	-	-	6,74,000	-	-	-	-	6,74,000
Improvements to Leased Building	16,24,899	11,48,863	-	27,73,762	16,24,899	19,735	81,245	15,63,389	12,10,373
Furniture & Fixtures	33,29,299	11,80,821	-	45,10,120	22,23,760	4,69,336	8,58,313	18,34,783	26,75,337
Office Equipments	14,80,110	8,51,848	-	23,31,958	5,31,608	5,80,999	1,89,458	9,23,149	14,08,809
Vehicles	7,83,623	17,51,396	6,44,562	18,90,457	6,80,354	1,82,102	6,26,029	2,36,427	16,54,030
Computers	39,37,430	15,45,739	-	54,83,169	30,67,942	10,12,937	5,16,226	35,64,653	19,18,516
<b>Sub - Total</b>	<b>1,18,29,361</b>	<b>64,78,667</b>	<b>6,44,562</b>	<b>1,76,63,466</b>	<b>81,28,563</b>	<b>22,65,109</b>	<b>22,71,271</b>	<b>81,22,401</b>	<b>95,41,065</b>
<b>Intangible Assets</b>									
Computer Software	27,69,266	1,16,850	-	28,86,116	21,81,970	1,80,410	(2,65,567)	26,27,947	2,58,169
<b>Sub - Total</b>	<b>27,69,266</b>	<b>1,16,850</b>	<b>-</b>	<b>28,86,116</b>	<b>21,81,970</b>	<b>1,80,410</b>	<b>(2,65,567)</b>	<b>26,27,947</b>	<b>2,58,169</b>
<b>Total</b>	<b>1,45,98,627</b>	<b>65,95,517</b>	<b>6,44,562</b>	<b>2,05,49,582</b>	<b>1,03,10,533</b>	<b>24,45,519</b>	<b>20,05,704</b>	<b>1,07,50,348</b>	<b>97,99,234</b>



Note No.12 TRADE RECEIVABLES

Particulars	As at	As at
	31.03.2016	31.03.2015
	Amount in ₹	Amount in ₹
Outstanding for a period less than six months Unsecured, considered good	3,05,87,441	62,76,123
	<b>3,05,87,441</b>	<b>62,76,123</b>

Note No.13 CASH AND CASH EQUIVALENTS

Particulars	As at	As at
	31.03.2016	31.03.2015
	Amount in ₹	Amount in ₹
<u>Cash and Bank Balances</u>		
Cash on Hand	1,780	17,702
Balance with Banks		
In Current Account	6,87,80,396	3,88,76,738
In Margin Deposits Account #	11,00,00,000	1,30,00,000
	<b>17,87,82,176</b>	<b>5,18,94,440</b>

# 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

**6,87,82,176    3,88,94,440**

Note No.14 SHORT TERM LOANS & ADVANCES

Particulars	As at	As at
	31.03.2016	31.03.2015
	Amount in ₹	Amount in ₹
Prepaid Expenses	6,92,481	3,21,330
Advance for Expenses	7,98,750	4,50,000
Advance to Employees	2,29,800	2,24,240
	<b>17,21,031</b>	<b>9,95,570</b>

Note No.15 OTHER CURRENT ASSETS

Particulars	As at	As at
	31.03.2016	31.03.2015
	Amount in ₹	Amount in ₹
Unsecured, considered good		
Interest Accrued on Fixed deposits	6,77,608	5,85,179
Other Receivables	16,520	2,50,858
	<b>6,94,128</b>	<b>8,36,037</b>





**Note No. 16 REVENUE FROM OPERATIONS**

( Amount in ₹ )

Particulars	2015-16	2014-15
	Amount in ₹	Amount in ₹
<b>Revenue from Operations</b>		
Commission Income	28,14,36,617	14,86,09,373
Interest Income	-	1,64,800
<b>Other operating income</b>		
Interest on Margin Deposits	1,08,95,616	63,89,702
Membership fees	-	48,38,500
Bad Debts recovered	-	56,270
Provision for Doubtful debts written back	-	4,42,456
	<b>29,23,32,233</b>	<b>16,05,01,101</b>

**Note No. 17 OTHER INCOME**

Particulars	2015-16	2014-15
	Amount in ₹	Amount in ₹
Profit on Sale of Assets	-	1,88,233
Miscellaneous Income	1,75,380	2,20,778
Amount received for CSR	20,98,360	18,05,160
Less: Amount spent (Refer Note No.31)	(20,98,360)	(18,05,160)
	<b>1,75,380</b>	<b>4,09,011</b>

**Note No. 18 EMPLOYEE BENEFIT EXPENSES**

Particulars	2015-16	2014-15
	Amount in ₹	Amount in ₹
Salaries & Wages	8,23,16,487	3,86,47,196
Contribution to PF and Other Funds	98,11,240	60,73,278
Staff Welfare Expenses	31,39,500	21,44,644
	<b>9,52,67,227</b>	<b>4,68,65,118</b>

**Note No. 19 FINANCE COST**

Particulars	2015-16	2014-15
	Amount in ₹	Amount in ₹
Interest Expense	49,84,183	63,96,209
Other Borrowing Costs	23,33,180	1,76,750
	<b>73,17,363</b>	<b>65,72,959</b>



Note No. 20 OTHER EXPENSES

Particulars	2015-16	2014-15
	Amount in ₹	Amount in ₹
Travelling & Conveyance	1,35,08,841	1,61,87,712
Postage & Telephone	41,22,239	21,52,892
Insurance	11,81,242	4,46,404
Rent	63,38,486	37,73,141
Electricity Charges	9,24,453	6,55,502
Printing and Stationery (Net off recoveries)	69,24,701	38,06,636
Repair & Maintenance		
- Computers	5,43,888	4,24,371
- Vehicle	1,03,470	1,35,790
Office Upkeep and Maintenance	27,34,338	19,39,446
Software Usage Charges	19,58,431	7,45,347
Professional & Legal Expenses	51,04,613	34,62,146
Auditors Remuneration	7,07,320	4,97,231
Rates & taxes	1,68,641	1,03,999
Service tax paid	8,22,078	2,60,784
Bank Charges	4,49,284	1,26,711
Training Expenses	4,32,493	5,02,116
Bad debts written off	17,37,665	22,08,602
Miscellaneous Expenses	2,06,946	1,43,320
	<b>4,79,69,129</b>	<b>3,75,72,150</b>

Remuneration to auditors	2015-16	2014-15
	Amount in ₹	Amount in ₹
a. for Statutory Audit	5,00,000	4,00,000
b. for Taxation Matters	1,25,000	75,000
c. for Reimbursement of expenses	24,000	20,500
d. Service tax	58,320	1,731
	<b>7,07,320</b>	<b>4,97,231</b>



INDIAN ASSOCIATION FOR SAVINGS AND CREDIT  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

21 The Company is a small and medium sized company as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act. Accordingly, the company has complied with the Accounting Standards as applicable.

22 Acceptance of Public Deposits:

The Board of Directors have passed a resolution on April 27, 2015 stating that they will not accept any public deposits for the year 2015-2016.

23 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 2013-14. 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.

24 Contingent Liability:

( Amount in ₹ )

Particulars	2015-16	2014-15
Disputed Income tax demand payable not provided for	7,00,013	7,00,013
First Loss Default Guarantee	(to the extent of Margin Deposits)	

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

26 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 and all such agreements are in the nature of cancellable lease.

27 Segment Information:

- The company operates under a single business segment.

28 Earnings per share:

(Amount in ₹)

Particulars	2015-16	2014-15
Earnings available to Equity Shareholders	9,02,28,178	4,57,39,927
Equity Shares of ₹ 10 each (No.s)	6,00,000	6,00,000
Weighted Average No. of Shares	6,00,000	6,00,000
Earnings Per Share (in ₹)	150.38	76.23



29 **Particulars regarding defined benefit plan:**

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

( Amount in ₹ )

Particulars	2015-16	2014-15
<b>Principal Actuarial Assumptions :</b>		
Discount Rate	7.71%	7.80%
Salary escalation rate	11.00%	11.00%
Attrition Rate	16.00%	14.00%
Expected rate of return on plan Assets	8.00%	8.00%
<b>Changes in the present value of the obligation:</b>		
Present Value of Obligations as at the beginning of the period	25,27,872	9,63,728
Interest cost	1,82,924	82,179
Current service cost	17,23,059	10,55,630
Benefits paid	(3,10,626)	(1,21,327)
Actuarial (Gains) / Loss on obligation	3,55,115	5,47,662
Present Value of Obligations as at the end of the period	44,78,344	25,27,872
<b>Changes in the fair value of plan assets:</b>		
Fair value of plan assets as at the beginning of the period	6,13,271	6,65,939
Expected return on plan assets	1,14,076	50,723
Contributions	19,39,601	1,00,000
Benefits paid	(3,10,626)	(1,21,327)
Actuarial Gain/ (Loss) on plan assets	1,29,330	(82,064)
Fair value of plan assets as at the end of the period	24,85,652	6,13,271
<b>Amounts recognised in the balance sheet:</b>		
Present value of the obligation	44,78,344	25,27,872
Fair value of plan assets	24,85,652	6,13,271
(Assets)/Liability	19,92,692	19,14,601
Net (Asset)/ Liability recognised in the balance sheet	19,92,692	19,14,601
<b>Expense recognised in the statement of profit and loss :</b>		
Current service cost	17,23,059	10,55,630
Interest cost	1,82,924	82,179
Expected return on plan assets	(1,14,076)	(50,723)
Net actuarial (gain)/ loss recognised in the year	2,25,785	6,29,726
Past service cost-vested benefits	-	-
Expenses recognised in the statement of profit and loss	20,17,692	17,16,812
<b>Major Categories of plan assets :</b> (as percentage of total plan assets )		
Funds Managed by Insurance Companies	100%	100%
<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
<b>Amount for the current period and previous reporting period:</b>		
Present Value of Obligation	44,78,344	25,27,872
Plan Assets	24,85,652	6,13,271
Surplus/( Deficit )	(19,92,692)	(19,14,601)
The experience adjustments arising on the plan liabilities - (Loss)/Gain	(3,55,115)	(5,47,662)
The experience adjustments arising on the plan assets - (Loss)/Gain	1,29,330	(82,064)



30 Related Party Disclosures:

(i) List of related parties with whom transactions have taken place during the year 2015-16 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		Associate		Key Management Personnel	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Salary paid	-	-	-	-	11,59,350	46,36,800
Interest Expenses	34,79,868	34,45,397	-	12,30,625	-	-
Loan received during the year	45,00,000	1,58,00,000	-	-	-	-
Loan repaid during the year	1,88,00,000	-	-	1,33,33,333	-	-
Amount payable	1,10,00,000	2,53,00,000	-	-	-	-

31 The Company, being a company registered u/s 8 of the Companies Act, 2013, has received an amount of ₹ 20,98,360 for the purpose of conducting CSR activity and has accordingly spent an equal amount for the said purpose.

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

33 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

For and on behalf of the Board of Directors

C.S. Sathyanarayanan

Partner

Membership No. 028328



  
Director

  
Director

Place : Coimbatore

Date : 20-06-2016