Indian Association for Savings and Credit

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting the Annual Report of INDIAN ASSOCIATION FOR SAVINGS AND CREDIT along with the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019.

1. Financial Results:

(In Rs.)

Particulars	2018-2019 (In Rs.)	2017-2018 (In Rs.)
Income from operations	1,42,20,154	10,43,43,756
Other Income	71,21,243	9,35,418
Total Income	2,13,41,397	10,52,79,174
Total Expenditure	2,71,36,589	14,82,16,606
Exceptional / Extra ordinary items	Nil	Nil
Profit (Loss) before tax	(57,95,192)	(4,29,37,432)
Provision for taxation and Deferred Taxes	Nil	(4,29,258)
Profit /(Loss) for the year	(57,95,192)	(4,25,08,174)
Less: profit attributable to Holding company & minority interest	Nil	Nil
Profit/loss for the period after the share of profit / (losses) of minority interest	(57,95,192)	(4,25,08,174)

During the financial year under review your company has registered a total income of Rs. 2,13,41,397/- when compared to Rs. 10,52,79,174/- in the previous year. The loss for the period is Rs. 57,95,192/- when compared to loss of Rs. 4,25,08,174/- in the previous year.

2. (a) State of affairs and future outlook:

Indian Association for Savings and Credit (IASC) is a company (Not - for - Profit) formed in 1998 licensed under Section 25 of the erstwhile Companies Act, 1956 (corresponding to Section 8 of the Companies Act, 2013). Its objective was to extend credit services to the under privileged section of the society, particularly women. IASC was in the business of providing financial services in a reliable, affordable and transparent manner to enhance the income of the self-help group (SHG) members.

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(b) Change in Nature of Business

Your Company discontinued its operations during the financial year 2018 -19 owing to non-conducive environment.

3. Amounts Transferred to Reserves

The company has made a loss of Rs. 57,95,192/- for the financial year ended 31st March, 2019 which has been adjusted against the general reserve of the Company.

4. Changes in Share Capital

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

5. Disclosure regarding issue of Employee Stock Options

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

6. Web-link Annual Return

As per Section 134 (3) (a) of the Companies Act, 2013, annual return referred to in Section 92(3) of the act has been placed at the web address as given below:

http://www.iasc.in/?page_id=36

7. Number of Board Meetings

During the financial year ended 31st March 2019, Six (6) Board Meetings were held on 6th April 2018, 10th May 2018, 27th July 2018, 29th September 2018, 20th November 2018 and 21st February 2019.

Particulars of the Directors' attendance to the Board Meetings are given below:

S. No.	Particulars	Attendance
1.	Mr. Ganesh Rao	6
2.	Mrs. Meenakshi Rao	6
3.	Mr. V.K. Mohan	6

8. Committees of the Board:

Currently, the Board has 1 (One) Committee: CSR Committee. The CSR Committee comprises of the following members:

1. Mr. Ganesh Rao
2. Mrs. Meenakshi Rao
3. Mr. V K Mohan

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During the Financial Year the CSR Committee Meeting was held on 10th May, 2018. The particulars of attendance are as follows:

Sr. No.	Name	Attendance
1	Mr. Ganesh Rao	1
2	Mrs. Meenakshi Rao	1
3	Mr. V K Mohan	1

9. **Particulars of Loans, Guarantees or Investments under Section 186 of Companies Act, 2013**

During the financial year, the Company has provided inter – corporate loans aggregating to Rs. 16,80,00,000 to New opportunity Consultancy Private Limited, Holding Company under the provisions of Section 186 of the Companies Act, 2013 and the Rules framed thereunder.

S. No	Nature	Date of Loan / Guarantee	Amount (Rs.)	Date of Board Resolution
1	Inter – Corporate Loan	01.03.2019	16,80,00,000	21.02.2019

10. **Particulars of Contracts or Arrangements with Related parties**

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

11. **Material Changes Affecting the Financial Position of the Company**

There have been no material changes and commitments during the period commencing from 1st April 2019, till the date of this report, which have an adverse bearing on the financial position of the Company.

12. **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, 2019.

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13. 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. V.K. Mohan (DIN:06987472)
2. Meenakshi Rao (DIN:06748708)
3. Ganesh Rao (DIN:02302989)

Mr. Ganesh Rao (DIN: 02302989), director retiring by rotation was re-appointed as director at the Annual General Meeting held on 27th July, 2018 during the year under review.

Mr. V. K. Mohan is retiring by rotation at the ensuing annual general meeting and being eligible has offered himself for re-appointment.

14. 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.

15. Internal Audit and Controls

Till the discontinuation of its business by the Company during the financial year 2018-19, the scope of Internal Audit included, 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. A separate Risk control team was integrated with the Audit team to strengthen the audit process. However, the internal audit team has been dissolved subsequent to the discontinuation of business activities by the Company.

16. Non-Performing Assets

Your Company had 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.

17. Deposits

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

18. Auditors

Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s Haribhakti & Co. LLP, Chartered Accountants were appointed as the statutory auditors of the Company at the 16th Annual General Meeting (AGM) held on 26th September 2014, to hold office up to the conclusion of the 21st AGM to be held during calendar year 2019. Accordingly, the tenure of M/s Haribhakti & Co LLP, as the statutory auditor will be coming to an end at the ensuing 21st AGM.

Board recommended appointing M/S Haribhakti & Co. LLP, Chartered Accountants, as the statutory auditors for a period of 5 financial years pursuant to Section 139 of the Companies Act, 2013. M/S Haribhakti & Co LLP have expressed their willingness for their appointment and have given a certificate pursuant to Section 139 of the Companies Act 2013, confirming that their appointment, if made, will be in accordance with the specified limits.

The report of the Auditors on the Financial Statements is attached herewith.

The notes to the accounts forming part of the financial statements are self-explanatory and need no further clarifications or explanations. There have been no frauds reported by the Auditor for the financial year under review pursuant to Section 143 of the Companies Act, 2013.

19. <u>Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013</u>

The Company has in place the 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.

20. <u>CSR Initiatives:</u>

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has adopted a Policy on CSR and the Policy has been placed in the website of the Company. A report on CSR is attached as **Annexure A** to this Report.

21. <u>Secretarial Standards of ICSI</u>

The Company is in compliance with the relevant provisions of applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government.

<u>25. Directors' Responsibility Statement</u>

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 loss of the company for that period;

c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d. the directors had prepared the annual accounts on a going concern basis; and

e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

f. the directors have 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.

For and on behalf of the Board of Directors

INDIAN ASSOCIATION FOR SAVINGS AND CREDIT

Ganesh Rao	**Meenakshi Rao**
Director	**Director**
DIN: 02302989	**DIN: 06748708**

Place: Mumbai
Date: 25th April 2019

Indian Association for Savings and Credit

<u>ANNEXURE - A</u>

Corporate Social Responsibility Policy

1. Brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Indian Association for Savings and Credit (IASC) is a Section 8 company (Not-for-Profit) formed in 1998. Its objective is to extend credit services to the under privileged section of the society, particularly women. IASC is in the business of providing financial services in a reliable, affordable and transparent manner to enhance the income of the self-help group (SHG) members.

Your company would be undertaking the CSR activities as listed in Schedule VII and Section 135 of the Companies Act, 2013 and the Rules framed thereunder.

The Company's CSR policy has been uploaded in the website of the Company and the web link to CSR policy is http://www.iasc.in/.

2. Composition of the CSR Committee

Mr. Ganesh Rao
Mrs. Meenakshi Rao
Mr. V K Mohan

3. Average net profit of the Company for the last three financial years

The net profits for the financial year 2015 - 16 have been arrived as per IGAAP methodology and net profits for the financial years 2016 - 17 and 2017 - 18 have been arrived at as per IND AS methodology. The average net profit for the purpose of computation of CSR amount have been computed accordingly.

Average net profit: Rs. 7,11,11,502/-

4. Prescribed CSR expenditure (2% of the average net profit of the last three financial years)
The Company during the financial year 2018-19 is required to spend Rs. 14,22,230 towards CSR.

5. Details of CSR spent during the financial year:
a) Total amount spent for the financial year; Rs. 27,43,133 /-.
b) Amount unspent, if any NA.

A detailed note on the CSR initiatives of the Company is appended as Schedule I.

c) Manner in which the amount spent during the financial year is detailed in the following table:

CSR project or activity identified	Sector in which the project is covered	Projects or Programmes (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.Training	Employment enhancing vocational skills	**1)Tamil Nadu we have** 19 District covered Tuticorin, Virudhunagar, Madurai, Theni, Dindugal, Thiruppur, Coimbatore, Trichy, Podukottai, Thanjavur, Nagapattinam, Salem, Kallakurichy, Dharmapury, Erode, Namakkal, Chennai and Kanchipuram and **2) Maharashtra** we are operating 4 -District Pune, Ahmednagar, Nasik, Shirur, Skill Training program Following Tailoring, Cell phone Service, Beautician, Toys making, Hand Embroidery, Jewel making, Masala manufacturing, Mushroom cultivation Soap oil making, Cloth bag stitching, Napkin Manufacturing, Agri Training and Poultry Farm also **3) Kerala** - Ernakulam	14,87,943	14,87,943	14,87,943	Direct
2. Nukkad Pathshala	Promotion of education	Tamil Nadu following 7 District Covered Virudhunagar, Madurai, Theni, Dindugal, Thiruppur, Namakkal and Erode Totally 19 Nukkad Pathshala centers are operational across Tamil Nadu, with strength of 21 teachers and 588 students	12,55,190	12,55,190	12,55,190	Direct
		Total	27,43,133	27,43,133	27,43,133	

Indian Association for Savings and Credit

Corporate Office : 68/A-2, 3rd Floor, Jegadamba Towers, Valluvar Street, Sivanandha Colony, Coimbatore - 641 012. Tamilnadu Tel : 0422 - 2497898 Email: secretarial@iasc.in. www.iasc.in
Registered Office : 707/708, Cyber One, Sector 30-A, Vashi, Navi Mumbai - 400 703, Maharashtra.
CIN No. : U91110MH1998NPL113558

Indian Association for Savings and Credit

6. In case the Company has failed to spend the two percent of the Average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report – Not Applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

The CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the company.

For and on behalf of the Board of Director

Meenakshi Rao

INDIAN ASSOCIATION FOR SAVINGS AND CREDIT

Date: 25/04/2019
Place: Mumbai

Ganesh Rao
Director
DIN: 02302989

Meenakshi Rao
Director
DIN: 06748708

SCHEDULE – I

Our CSR Philosophy is in line with our organizational objectives. We believe in an equitable society. We are striving to contribute to this cause by providing a platform for developing livelihood skills and knowledge through our education platform.

Skill Development

We partner with polytechnics, ITIs, National Skill Development Corporation Approved institutions and Bank sponsored RSETIs. These institutions have adequate infrastructure, facilities and technical know-how to carry out skill development activities. We act as sourcing partners for these reputed skill development institutions. We identify members and their families who need livelihood skills and enroll them in employment generating training programs. Further, on completion of the course, members or their family members are given job placement opportunities in reputed organization through our network partners. Members are also motivated to be self-employed, wherein we help them to avail credit through our Bank Partners. We have supported the children of the members to get admission in reputed skill training institutions.

Some of our valued Associate Partners are:

- State bank of India rural Self-employment Institute
- Indian bank self-employment Training Institute.
- Canara bank Self-employment Training Institute
- Syndicate bank Self-employment Training Institute.
- Indian Overseas bank Self-employment Training Institute
- Carborundum Universal Ltd.
- Ramakrishna Mission vidhyalaya, Coimbatore
- Jan Shikashan Sansthan
- PSG Arts and science College
- GRG Community Polytechnic
- GRD Women's Technical Park
- IL & FS Skill Training
- TUV Rhineland
- UTL-Technology
- Dalmiya Skill Training.

During the Financial year 2018-19 more than 1298 members and their families were enrolled in these programs conducted by IASC. Out of the 1298 members, 167 were placed for employment at reputed organizations while a substantial number chose to start their own business enterprise.

INDIAN ASSOCIATION FOR SAVINGS AND CREDIT

FY YEAR	2018 - 2019
Candidates	1298- Candidates
Impact	167
Impact %	13%

Education - Nukkad Pathshala

For the benefit of our member's children, we have set up education centers in various towns and villages of Tamil Nadu called 'Nukkad Pathshala'. These pathshala's seek to bring to every corner or 'nukkad' an unrivalled passion to learn. Nukkad Pathshala aims at delivering Basic English, mathematics and science knowledge to children of various age groups - ranging from five to fifteen. The objective of this initiative is to instill confidence and passion for knowledge. We hope to bring about an education revolution and help our students reach the stars with the help of experienced teachers and professors. Currently, 19 Nukkad Pathshala centers are operational across Tamil Nadu, with strength of 23 teachers and 588 students.

Highlights of the year

1. A video documentary on Nukkad Pathshala was shot, shedding light on the objectives, teachings and activities taught and instilled throughout the year.
2. We have successfully established library in all twenty centers.
3. Introduction of co-curricular activities like yoga, drawing, self-defense classes, storytelling, science exhibition, guest lectures, etc., that were conducted every weekend and during holidays.
4. Special health care programs and camps were conducted for the children.
5. Provided clothes to orphans and students raised by a single parent.
6. National and Religious festivals were celebrated with students.
7. Value adding training programs were conducted for Nukkad Pathshala teachers.

Other activities

1. **Environment Project** – 4000 saplings were planted in 4 districts of Tamil Nadu through various tree plantation drives.

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2. **Job Fair** - Special job fairs were organized in 4 regions for more than 1000 candidates.
3. **International Women's Day** – Some special programs like singing competition, funny games were conducted in 4 districts of Tamil Nadu covering 1000 women.
4. **Women Entrepreneurship** –Promotional drives were organized for budding women entrepreneurs in partnership with various colleges and communities by enabling them to put up stalls and market their products.
5. **Awareness Programs** – Micro Credit awareness programs were organized for members, explaining to them the opportunities and threats of credit.
6. **Education Sponsorship** - We sponsored 3 disadvantaged students for under graduate programs at Ramakrishna Arts and Science College.

INDEPENDENT AUDITOR'S REPORT

To the Members of Indian Association for Savings and Credit

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Indian Association for Savings and Credit ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2019, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

HARIBHAKTI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to

HARIBHAKTI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

(1) This report does not contain a statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) 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, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;

e. On the basis of the written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to financial statements 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 the requirements of section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, the Company being a section 8 company, section 197 of the Act related to the managerial remuneration is not applicable.

HARIBHAKTI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

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

(i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 28 on Contingent Liabilities to the Ind AS 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 / W100048

Snehal Shah

Partner

Membership No. 48539

Mumbai

April 25, 2019

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, 2019]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Indian Association for Savings and Credit** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness.

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

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

HARISHAKTI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls With reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls With reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Snehal Shah

Partner

Membership No. 48539

HARIBHAKTI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Mumbai

April 25, 2019

Indian Association for Savings and Credit
(Registered under Section 8 of the Companies Act, 2013)
Balance Sheet as at 31st March, 2019

(₹ in lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	31.26	142.06
(b) Other Intangible assets	3	-	2.84
(c) Financial Assets			
- Loans	8	1,680.00	-
- Other financial assets	4	28.85	953.49
(d) Deferred tax assets (net)	23	-	-
(e) Non Current Tax Assets (net)		89.03	83.83
(f) Other non-current assets	5	24.66	28.18
Total non-current assets		**1,853.80**	**1,210.40**
Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	6	32.53	45.22
(ii) Bank balances other than (ii) above	7	-	598.00
(iii) Loans	8	135.27	154.32
(iv) Others	9	13.72	361.61
(b) Other current assets	10	16.63	21.46
Total current assets		**198.15**	**1,180.61**
Total assets		**2,051.95**	**2,391.01**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11	60.00	60.00
(b) Other Equity	12	1,899.02	1,953.02
Total equity		**1,959.02**	**2,013.02**
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	53.03	80.94
(ii) Other financial liabilities	14	-	249.85
Total non-current liabilities		**53.03**	**330.79**
Current liabilities			
(a) Financial liabilities			
- Other financial liabilities	15	30.96	37.19
(b) Other current liabilities	16	8.94	10.01
Total current liabilities		**39.90**	**47.20**
Total Liabilities		**92.93**	**377.99**
Total Equity and Liabilities		**2,051.95**	**2,391.01**

The accompanying notes 1 to 44 are an integral part of the financial statements

In terms of our report of date attached

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

For and on behalf of the Board of Directors

Snehal Shah
Partner
Membership No. 48539

Place : Mumbai
Date : 25th April, 2019

Ganesh Ramanand Rao
Director
DIN:02302989

Meenakshi Ganesh Rao
Director
DIN:06748708

Place : Mumbai
Date : 25th April, 2019

Indian Association for Savings and Credit
(Registered under Section 8 of the Companies Act, 2013)
Statement of Profit and Loss Account at 31st March, 2019

(₹ in lakhs)

	Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
I.	Revenue from operations	17	142.20	1043.44
II.	Other income	18	71.21	9.35
III.	**Total Income (I + II)**		**213.41**	**1052.79**
IV.	**EXPENSES:**			
	Employee benefits expense	19	32.23	957.84
	Finance costs	20	8.33	12.01
	Depreciation and amortization expense	21	32.87	47.38
	Other expenses	22	197.93	464.93
	Total expenses (IV)		**271.36**	**1482.16**
V	**Profit/ (loss) before tax (III - IV)**		**(57.95)**	**(429.37)**
VI	**Tax Expense**	23		
	(1) Current tax		-	-
	(2) Deferred tax		-	(3.37)
	(3) Taxation for earlier years		-	(0.92)
VII	**Profit/ (loss) for the year (V - VI)**		**(57.95)**	**(425.08)**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		3.95	26.99
	Income tax relating to these items that will not be reclassified to profit or loss		-	-
	Total other comprehensive income		**3.95**	**26.99**
IX	**Total comprehensive income (VII+VIII)**		**(54.00)**	**(398.09)**
X	**Earnings per equity share (Face value ₹10 each):**	24		
	- Basic & Diluted		(9.66)	(70.85)

The accompanying notes 1 to 44 are an integral part of the financial statements
In terms of our report of date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

For and on behalf of the Board of Directors

Shehal Shah
Partner
Membership No. 48539

Place : Mumbai
Date : 25th April, 2019

HARIBHAKTI & CO. LLP MUMBAI

Ganesh Ramanand Rao
Director
DIN:02302989

Meenakshi Ganesh Rao
Director
DIN:06748708

Place : Mumbai
Date : 25th April, 2019

Indian Association for Savings and Credit
Statement of changes in equity for the year ended 31st March, 2019

A. Equity Share Capital (₹ in lakhs)

Particulars	Amount
Balance as at 1st April, 2017	60.00
Shares issued during the year	-
Balance as at 31st March, 2018	60.00
Shares issued during the year	-
Balance as at 31st March, 2019	60.00

B. Other Equity (₹ in lakhs)

Particulars	Retained Earnings	Total
Balance as at 1st April, 2017	2,351.11	**2,351.11**
Profit for the year	(425.08)	(425.08)
Transfer to other reserves (if any)	-	-
Other Comprehensive income (net of tax)	26.99	26.99
Balance as at 31st March, 2018	**1,953.02**	**1,953.02**
Profit for the year	(57.95)	(57.95)
Transfer to other reserves (if any)	-	-
Other Comprehensive income (net of tax)	3.95	3.95
Transfer to Retained Earnings	-	-
Balance as at 31st March, 2019	**1,899.02**	**1,899.02**

The accompanying notes 1 to 44 are an integral part of the financial statements

In terms of our report of date attached

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Snehal Shah
Partner
Membership No. 48539

Place : Mumbai
Date : 25th April, 2019

For and on behalf of the Board of Directors

Ganesh Ramanand Rao
Director
DIN:02302989

Meenakshi Ganesh Rao
Director
DIN:06748708

Place : Mumbai
Date : 25th April, 2019

Indian Association for Savings and Credit

(Registered under Section 8 of the Companies Act, 2013)

Statement of cash flows for the year ended 31st March, 2019

Particulars	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
A. Cash flows from operating activities				
Profit/(Loss) before tax		(57.95)		(429.37)
Adjustments for:				
Depreciation and amortization expenses	32.87		47.38	
Assets written off	-		0.95	
Loss on sale of PPE	9.94		0.53	
Interest expense	8.33	51.14	12.01	60.87
Operating cash flows before working capital changes		(6.81)		(368.50)
- (Increase)/decrease in trade receivables	-		377.62	
- (Increase)/decrease in Non-current and current financial assets	209.59		(996.89)	
- (Increase)/decrease in Other non-current and current assets	8.34		(14.24)	
- (Decrease)/increase in non-current and current financial liabilities	(253.88)		(260.84)	
- (Decrease)/increase in other non-current and current liabilities	(1.08)		(55.09)	
- (Decrease)/increase in other non-current and current provisions	3.95	(33.08)	(1.07)	(950.51)
Cash used in operations		(39.89)		(1,319.01)
Income taxes Paid(Net of Refunds)		(5.19)		(60.15)
Net cash used in operating activities - (A)		**(45.08)**		**(1,379.16)**
B. Cash flows from investing activities				
Purchase of Property, Plant & Equipment and Intangible assets		(0.78)		(6.66)
Proceeds from sale of Property, Plant & Equipment and Intangible assets		71.61		60.40
Net cash generated from investing activities - (B)		**70.83**		**53.74**
C. Cash flow from Financing activities				
Proceeds from non-current borrowings (Refer Note No.39)		-		-
Repayment of non-current borrowings (Refer Note No.39)		(30.11)		(137.74)
Interest paid		(8.33)		(14.63)
Net cash used in financing activities - (C)		**(38.44)**		**(152.37)**
Net decrease in cash and cash equivalents (A+B+C)		(12.69)		(1,477.80)
Cash and cash equivalents at the beginning of the year		45.22		1,523.02
Cash and cash equivalents at the end of the year		**32.53**		**45.22**
Components of Cash & Cash Equivalents as at 31st March, 2019				
Cash		-		-
Balances With Bank:				
in current accounts		32.53		45.22
		32.53		**45.22**

The above cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows.

The accompanying notes 1 to 44 are an integral part of the financial statements

In terms of our report of date attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

Snehal Shah

Partner

Membership No. 48539

Place: Mumbai

Date : 25th April, 2019

MUMBAI

For and on behalf of the Board of Directors

Ganesh Ramanand Rao

Director

DIN:02302989

Meenakshi Ganesh Rao

Director

DIN:06748708

Place: Mumbai

Date : 25th April, 2019

Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2019

2. Property, Plant and Equipment (PPE) (₹ in lakhs)

Particulars	Land	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Leasehold Improvements	Total
Gross Block							
As at 1st April, 2017	6.74	62.00	61.17	36.83	53.75	64.59	285.08
Additions during the year	-	0.68	1.07	-	4.91	-	6.66
Disposals during the year	-	41.82	16.28	0.07	23.84	-	82.01
As at 31st March, 2018	**6.74**	**20.86**	**45.96**	**36.76**	**34.82**	**64.59**	**209.73**
Additions during the year	-	-	-	-	0.78	-	0.78
Disposals during the year	-	20.86	45.96	-	35.60	64.59	167.01
As at 31st March, 2019	**6.74**	-	-	**36.76**	-	-	**43.50**
Accumulated Depreciation							
As at 1st April, 2017	-	5.39	9.77	4.20	15.82	7.51	42.69
Depreciation charged during the year	-	3.74	10.63	4.74	13.48	12.70	45.28
Disposals during the year	-	5.66	4.83	-	9.83	-	20.32
As at 31st March, 2018	-	**3.48**	**15.57**	**8.94**	**19.47**	**20.21**	**67.65**
Depreciation charged during the year	-	1.54	8.44	3.30	11.07	6.39	30.74
Disposals during the year	-	5.01	24.01	-	30.54	26.60	86.16
As at 31st March, 2019	-	-	-	**12.24**	-	-	**12.23**
Net Carrying amount							
As at 31st March, 2018	6.74	17.38	30.39	27.82	15.35	44.38	**142.06**
As at 31st March, 2019	6.74	-	-	24.52	-	-	**31.26**

MUMBAI

Indian Association for Savings and Credit

Notes to financial statements for the year ended 31st March, 2019

3. Other intangible assets		(₹ in lakhs)
Particulars	**Computer Software**	**Total**
Gross Block		
As at 1st April, 2017	7.57	7.57
Additions during the year	-	-
Disposals during the year	0.76	0.76
As at 31st March, 2018	**6.81**	**6.81**
Additions during the year	-	-
Disposals during the year	6.81	6.81
As at 31st March, 2019	-	-
Accumulated amortization		
As at 1st April, 2017	2.46	2.46
Amortization during the year	2.10	2.10
Disposals during the year	0.59	0.59
As at 31st March, 2018	**3.97**	**3.97**
Amortization during the year	2.13	2.13
Disposals during the year	6.10	6.10
As at 31st March, 2019	-	-
Net Carrying amount		
As at 31st March, 2018	**2.84**	**2.84**
As at 31st March, 2019	-	-

Indian Association for Savings and Credit

Notes to financial statements for the year ended 31st March, 2019

4.Other financial assets - Non current

Particulars	As at 31st March, 2019 ₹ in lakhs	As at 31st March, 2018 ₹ in lakhs
Unsecured, considered good		
Rental deposits	28.85	31.49
Margin Deposits Account with scheduled banks # (Refer note no. 29)	-	922.00
Total	**28.85**	**953.49**

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

5.Other non-current assets

Particulars	As at 31st March, 2019 ₹ in lakhs	As at 31st March, 2018 ₹ in lakhs
Prepaid expenses	0.76	6.52
Deposit towards disputed service tax (Refer note no.28)	23.90	21.66
Total	**24.66**	**28.18**

6.Cash and cash equivalents

Particulars	As at 31st March, 2019 ₹ in lakhs	As at 31st March, 2018 ₹ in lakhs
Balance with Banks		
- In Current Account	32.53	45.22
Cash on Hand	-	-
Total	**32.53**	**45.22**

7.Bank balance other than cash and cash equivalents

Particulars	As at 31st March, 2019 ₹ in lakhs	As at 31st March, 2018 ₹ in lakhs
Earmarked balances with banks		
Margin Deposits Account with scheduled banks # (Refer note no.29)	-	598.00
Total	**-**	**598.00**

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

MUMBAI CHARTERED ACCOUNTANTS

Indian Association for Savings and Credit

Notes to financial statements for the year ended 31st March, 2019

8.Loans

Particulars	As at 31st March, 2019	As at 31st March, 2018
	₹ in lakhs	₹ in lakhs
Unsecured, considered good		
Long term		
Inter Corporate loan to Holding Company (Refer Note no.33 and 38)	1,680.00	-
Total	**1,680.00**	**-**
Short term		
Inter Corporate loan (Refer Note no.33)	135.00	153.57
Loans to employees	0.27	0.75
Total	**135.27**	**154.32**

9.Other financial assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
	₹ in lakhs	₹ in lakhs
Unsecured, considered good		
Interest Accrued	13.72	6.81
Receivable from holding company # (Refer note no.38)	-	354.80
Total	**13.72**	**361.61**

Dues from a private limited company in which a director of the company is a director or member.

10.Other current assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
	₹ in lakhs	₹ in lakhs
Unsecured, considered good		
Prepaid expenses	-	9.42
Gratuity (Refer note no.25)	16.53	11.96
Advance for expenses/other receivables	0.10	0.08
Total	**16.63**	**21.46**

Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2019

11. Equity Share Capital

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	In Numbers	₹ in lakhs	In Numbers	₹ in lakhs
Authorised				
Equity shares of ₹10/- each	3,000,000	300.00	3,000,000	300.00
Issued, Subscribed and Paid up				
Equity shares of ₹10/- each	600,000	60.00	600,000	60.00
Total		**60.00**		**60.00**

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 31st March, 2019		As at 31st March, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
New Opportunity Consultancy Private Limited	599,870	99.98%	599,870	99.98%
	599,870	**99.98%**	**599,870**	**99.98%**

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

Particulars	Equity Shares			
	As at 31st March, 2019		As at 31st March, 2018	
	In Numbers	₹ in lakhs	In Numbers	₹ in lakhs
Shares outstanding at the beginning/end of the year	600,000	60.00	600,000	60.00

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 31st March, 2019		As at 31st March, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
New Opportunity Consultancy Private Limited	599,870	99.98%	599,870	99.98%
	599,870	**99.98%**	**599,870**	**99.98%**

12.Other equity

Particulars	As at 31st March, 2019 ₹ in lakhs	As at 31st March, 2018 ₹ in lakhs
Retained earnings	1,953.02	2,351.11
Add: Profit / (Loss) for the year	(57.95)	(425.08)
Add: Transfer from Other Comprehensive Income	3.95	26.99
	1,899.02	1,953.02
Total	**1,899.02**	**1,953.02**

MUMBAI CHARTERED ACCOUNTANTS

Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2019

13.Financial liabilities: Borrowings

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Non Current	Current	Non Current	Current
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Secured Loans				
Vehicle Loans	4.67	5.19	9.86	6.41
Unsecured Loans				
Loans from Financial Institutions	48.36	22.13	71.08	23.11
Total	53.03	27.32	80.94	29.52

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 31-03-2019 of ₹ 1.82 lakh and ₹ 8.04 lakh are repayable in 6 and 27 monthly instalments of ₹ 0.31 lakh and ₹ 0.36 lakh respectively. The interest is payable on monthly basis and the rate of interest is 10.50% and 9.99% per annum respectively.

ii) Unsecured Loans from HDFC Limited as on 31-03-2019 of ₹ 33.27 lakhs and ₹ 37.22 lakhs are repayable in 30 and 38 monthly instalments of ₹ 1.39 lakh and ₹ 1.16 lakh respectively. The interest is payable on monthly basis and the rate of interest is 7.50% and 8.25% per annum respectively.

14.Other financial liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
	₹ in lakhs	₹ in lakhs
Financial guarantee liability (Refer note no.38)	-	249.85
Total	-	249.85

15.Other financial liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
	₹ in lakhs	₹ in lakhs
Current maturities of long term debt (Refer note no.13)	27.32	29.52
Interest accrued but not due on borrowings	0.10	0.10
Other payables and accruals - dues to Micro and small Enterprises (Refer Note No.30)	2.83	4.50
Other payables and accruals - dues other than Micro and small Enterprises	0.71	3.07
Total	30.96	37.19

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

16.Other current liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
	₹ in lakhs	₹ in lakhs
Statutory dues payable	8.94	10.01
Total	8.94	10.01

17. Revenue from operations

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	₹ in lakhs	₹ in lakhs
Sale of services		
Commission Income	-	907.63
Other operating revenues		
Interest on Margin Deposits	102.01	114.09
Interest on Inter Corporate loan	40.19	21.72
Total	**142.20**	**1,043.44**

18. Other income

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	₹ in lakhs	₹ in lakhs
Rent reimbursement received (Refer Note No. 38)	46.31	-
Software usage reimbursement (Refer Note No. 38)	15.09	-
Interest income on financial assets	9.19	9.30
Amount received for Corporate Social Responsibility	-	5.45
Less: Amount spent (Refer Note No.41)	-	(5.45)
Miscellaneous Income	0.62	0.05
Total	**71.21**	**9.35**

19. Employee benefits expense

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	₹ in lakhs	₹ in lakhs
Salaries & Wages	28.01	840.06
Contribution to Provident Fund and Other Funds	1.21	85.68
Gratuity (Refer Note no. 25)	-	3.26
Staff Welfare Expenses	3.01	28.84
Total	**32.23**	**957.84**

20. Finance cost

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	₹ in lakhs	₹ in lakhs
Interest Expense	8.33	12.01
Total	**8.33**	**12.01**

21. Depreciation and amortization expense

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	₹ in lakhs	₹ in lakhs
Depreciation on Property, Plant and Equipment	30.74	45.28
Amortisation on Intangible Assets	2.13	2.10
Total	**32.87**	**47.38**

MUMBAI

22. Other expenses

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	₹ in lakhs	₹ in lakhs
Travelling & Conveyance	9.28	18.78
Postage & Telephone	0.34	32.15
Insurance	7.40	26.41
Rent (Refer note no.31)	78.02	127.27
Electricity Charges	4.67	17.23
Printing and Stationery (net off recoveries)	2.52	48.02
Repair & Maintenance		
- Computers	-	2.36
- Vehicle	2.20	1.65
Office Upkeep and Maintenance	17.02	28.75
Software Usage Charges	26.09	28.78
Professional & Legal Expenses	7.24	48.55
CSR Expenses (Refer note no.32)	27.43	46.03
Auditors Remuneration (Refer Note no. 22.1)	4.50	6.42
Rates & taxes	0.29	1.48
Assets discarded written off	-	0.95
Loss on sale of asset	9.94	0.53
Service tax paid	-	4.71
Bank Charges	0.93	18.58
Training Expenses	-	1.85
FLDG commitment charges paid (Refer note no.42)	-	4.04
Miscellaneous Expenses	0.07	0.40
	197.93	**464.93**

22.1 Remuneration to auditors (excluding service tax / GST)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	₹ in lakhs	₹ in lakhs
a. for Statutory Audit	4.50	5.00
b. for Taxation Matters	-	1.25
c. for Reimbursement of expenses	-	0.17
	4.50	**6.42**

23. Tax expense

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	₹ in lakhs	₹ in lakhs
A. Current Tax		
Current tax on profit for the year	-	-
Change/ (Credit) in respect of current tax for earlier years	-	(0.92)
TOTAL (A)	-	(0.92)
B. Deferred Tax		
Origination and reversal of temporary differences	-	(3.37)
Charge in respect of deferred tax for earlier years	-	-
TOTAL (B)	-	(3.37)
Tax expense recognized in Statement of Profit and Loss TOTAL (A)+(B)	-	(4.29)
Tax expense recognized in Other Comprehensive Income (c)	-	-
Total Tax Expense /(benefit)	-	(4.29)

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in statement of profit and loss is as follows:

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	₹ in lakhs	₹ in lakhs
Profit/(loss) before tax	(57.95)	(429.37)
Enacted tax rate	25.75%	25.75%
Expected income tax expense/(benefit) at statutory tax rate	(14.92)	(110.56)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses not deductible in determining taxable profits	11.87	29.70
Income exempt from taxation	(2.37)	(2.39)
Unrecognized deferred tax assets #	(13.61)	81.85
(Credit) in respect of current tax for earlier years	-	(0.92)
Others	19.03	(1.95)
Tax expense for the year	0.00	(4.29)
Effective income tax rate	0%	1%

Note:
The above workings are based on provisional computation of tax expenses and are subject to finalisation of tax audit/ filing of tax returns in due course.

Deferred tax (asset) / liability

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	₹ in lakhs	₹ in lakhs
Deferred tax liability on PPE & intangible assets	1.15	-
Deferred tax asset on business loss*	(1.15)	-
Total	-	-

*Deferred tax asset has been recognised only to the extent of Deferred tax liability.

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 # Unrecognised deferred tax assets:

- Deferred tax has not been recognised in respect of the following item because it is not probable that future taxable profits will be available against which the Company use the benefits thereon.

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	₹ in lakhs	₹ in lakhs
Tax losses	285.21	301.22
Short term capital loss	61.15	-
Deductible temporary difference	-	16.63

24. Earnings per share

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	₹ in lakhs	₹ in lakhs
Profit/(Loss) after tax	(57.95)	(425.08)
No. of Equity shares outstanding	600,000	600,000
Weighted Average no. of equity shares outstanding during the year	600,000	600,000
Basic Earnings Per Share (in ₹)	(9.66)	(70.85)
Diluted Earnings Per Share (in ₹)	(9.66)	(70.85)

25 Employee benefits

The details of various employee benefits provided to employees are as under:

A A. Defined contribution plans:

(₹ in lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Employer's Contribution to PF	1.19	61.14
Employer's Contribution to ESIC	0.02	24.41
Employer's Contribution to labour welfare	0.00	0.13
Total	1.21	85.68

B Defined benefit plans:

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation using the projected unit credit method as at the end of each financial year based on which the Company contributes the ascertained liability to Life Insurance Corporation of India with whom the plan assets are maintained.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk , salary risk and longevity risk.

Investment risk: The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Longevity risk: The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Principal actuarial assumptions:

Principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Discount Rate	6.68%	7.45%
Expected Return on Assets	6.68%	7.45%
Salary Escalation	7.00%	18.00%
Attrition Rate	61.53%	16.00%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Amount recognized in Profit and Loss for the year

(₹ in lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Current Service Cost	0.22	1.17
Net Interest on Defined Benefit Obligations	(0.80)	2.09
Expenses recognized in the statement of profit and loss	**(0.58)**	**3.26**

Recognized in Other Comprehensive Income (OCI) for the year

(₹ in lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Return on plan assets (excluding amounts included in net interest expense)	(0.07)	(0.16)
Acturial (gains)/losses arising from changes in financial assumptions	(0.09)	(0.41)
Acturial (gains)/losses arising from experience adjustments	(2.44)	(26.42)
Acturial (gains)/losses due to Demographic Assumption changes in DBO	(1.35)	-
Amount recognized in OCI for the current period	**(3.95)**	**(26.99)**

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Change in present value of defined benefit obligation

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Present value of obligations as at the beginning of the year	6.17	81.70
Current Service Cost	0.22	1.17
Interest on Defined Benefit Obligations	0.35	5.86
Actuarial (gain)/loss on plan obligation	(3.88)	(26.83)
Benefits paid	(2.00)	(6.10)
Liability transfer	-	(49.63)
Present value of obligations as at the end of the year	**0.86**	**6.17**

Change in fair value of plan assets

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fair value of plan assets as at the beginning of the period	18.13	53.64
Return on plan assets	1.14	3.77
Contributions	0.05	0.05
Benefits paid	(2.00)	(6.10)
Asset transfer	-	(33.39)
Actuarial gain/(loss) on plan assets	0.07	0.16
Fair value of plan assets as at the end of the period	**17.39**	**18.13**

Net (Asset)/ Liability recognized in Balance Sheet

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Present value of obligations	0.86	6.17
Fair Value of Plan Assets	17.39	18.13
Amount recognized	**(16.53)**	**(11.96)**

Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Within the next 12 months	0.41	0.39
Between 2 and 5 years	0.25	1.29
Between 6 and 10 years	0.01	1.12
Beyond 10 years	0.19	3.37

Expected contributions to the plan for the next annual reporting period	-	-

Sensitivity Analysis

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

(₹ in lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate by 1%	0.84	0.87	5.67	6.74
Salary Escalation rate by 1%	0.86	0.85	6.61	5.76
Attrition rate by 1%	0.85	0.86	5.89	6.49
Mortality rate by 10%	0.86	-	6.17	-

26 **Acceptance of Public Deposits:**
The Board of Directors have passed a resolution on 6th April, 2018 stating that they will not accept any public deposits for the financial year 2018-2019.

27 **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) Income Tax Assessments are completed provisionally up to the Assessment Year 2016-17. 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.

28 **Contingent Liability:**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Disputed Income tax demand payable not provided for	142.95	7.00
Disputed service tax liability*	318.58	288.83
First Loss Default Guarantee	-	(to the extent of Margin Deposits)

*Excluding Interest and Penalty

29 During the financial year 2017-18, the company had furnished a cover in the form of lien marked fixed deposit on behalf of the holding company to IDBI & YES Bank for the BC portfolio managed by the holding company.

30 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.

(₹ in lakhs)

Details of dues to Micro and Small Enterprises as per MSMED Act, 2006	As at 31st March, 2019	As at 31st March, 2018
a) Principal amount due to suppliers under MSMED Act, 2006	2.83	4.50
b) Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
d) Interest paid to suppliers under MSMED Act (Section 16)	-	-
e) Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	-	-

31 **Assets taken on operating lease:**

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:

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Within one year	30.87	56.14
After one year but not more than five years	-	30.87
More than five years	-	-

During the year, ₹ 78.02 lakhs (P.Y. ₹ 127.27 lakhs) has been debited to Profit and Loss account.

(i) There are no restriction covenants in the lease agreement.

(ii) The Company does not have any contingent lease rental expenses.

32 **CSR Expenditure:**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	₹ in lakhs	₹ in lakhs
a. Gross amount required to be spent by the company during the year	14.44	21.58
b. Amount spent during the year	27.43	46.03

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/Acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	27.43	-	27.43

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

(₹ in lakhs)

Name of the Company	As at 31st March, 2019	As at 31st March, 2018	Purpose
New Opportunity Consultancy Private Limited	1,680.00	-	Working capital
Saggraha Management Services Private Limited	-	123.57	Working capital
Ambition Services Private Limited	95.00	20.00	Working capital
Conatus Management Services Private Limited	40.00	10.00	Working capital
Total	**1,815.00**	**153.57**	

Indian Association for Savings and Credit

Notes to financial statements for the year ended 31st March, 2019

34 **Fair value measurements**

i. Financial instruments by category

The carrying value & fair value of financial instruments by categories & hierarchy as at 31st March, 2019 were as follows:

(₹ in lakhs)

Particulars	Note	Carrying amount			Total	Fair value			Total Fair value
		FVTOCI	FVTPL	Amortised cost		Level 1	Level 2	Level 3	
Financial Assets									
Cash and Cash equivalents	6	-	-	32.53	32.53	-	-	-	-
Loans	8	-	-	1,815.27	1,815.27	-	1,815.27	-	1,815.27
Other financial assets	4,9	-	-	42.58	42.58	-	42.58	-	42.58
									-
Financial Liabilities									-
Borrowings	13	-	-	80.35	80.35	-	80.35	-	80.35
Other financial liabilities	14,15	-	-	3.64	3.64	-	3.64	-	3.64

The carrying value & fair value of financial instruments by categories & hierarchy as at 31st March, 2018 were as follows:

(₹ in lakhs)

Particulars	Note	Carrying amount			Total	Fair value			Total Fair value
		FVTOCI	FVTPL	Amortised cost		Level 1	Level 2	Level 3	
Financial Assets									
Cash and Cash equivalents	6	-	-	45.22	45.22	-	-	-	-
Other bank balances	7	-	-	598.00	598.00	-	-	-	-
Loans	8	-	-	154.32	154.32	-	154.32	-	154.32
Other financial assets	4,9	-	-	1,315.10	1,315.10	-	1,315.10	-	1,315.10
Financial Liabilities									
Borrowings	13	-	-	110.46	110.46	-	110.46	-	110.46
Other financial liabilities	14,15	-	-	257.52	257.52	-	257.52	-	257.52

The Company has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values.

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, current borrowings and other current financial liabilities are a reasonable approximation of their fair values.

ii. Valuation technique used to determine fair value

The fair value of the financial assets and liabilities are at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, current borrowings and other current financial liabilities are a reasonable approximation of their fair values.

The estimated fair value amounts as at 31st March, 2019 have been measured as at that date. As such, the fair values of these financial instruments subsequent to reporting date may be different than the amounts reported at each year-end.

There were no transfers between Level 1, Level 2 and Level 3 during the year.

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35 Financial Risk Management

The Company's businesses are subject to several risks and uncertainties including financial risks.

The Company's activities expose it to credit risk, liquidity risk and market risk - interest rate risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis, Credit ratings
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts
Market risk - Interest rate risk	Long-term borrowings at variable rates	Cash flow forecasting. Sensitivity analysis

a. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The company's credit risk generally arises from Cash and cash equivalents, trade receivables, and other financial assets.

Credit risk management

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

Assets Group	Description of category	Particulars	Provision for expected credit loss *
Low credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets.	12 month expected credit loss/life time expected credit loss
Moderate credit risk	Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong.	Nil	12 month expected credit loss/life time expected credit loss
High credit risk	Assets where there is a high probability of default.	Nil	12 month expected credit loss/life time expected credit loss/fully provided for

* Based on the past experience, there have not been any write off of trade receivables and hence no allowance is made for expected credit loss on trade receivables.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

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Classfication of Financial assets among risk categories: (₹ in lakhs)

Credit rating	Particulars	As at 31st March, 2019	As at 31st March, 2018
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets (Refundable deposits)	1,890.38	2,112.64
Moderate credit risk	Nil	-	-
High credit risk	Nil	-	-

b. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the business, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of Financial Liabilities as at 31st March, 2019 are as follows: (₹ in lakhs)

	Contractual cash Flows				
Particulars	Less than 1 year	1-5 years	More than 5 years	Total	Carrying Amount
Borrowings	33.80	58.66	-	92.46	80.35
Other Financial liabilities	3.64	-	-	3.64	3.64
Total	37.44	58.66	-	96.10	83.99

Maturities of Financial Liabilities as at 31st March, 2018 are as follows: (₹ in lakhs)

	Contractual cash Flows				
Particulars	Less than 1 year	1-5 years	More than 5 years	Total	Carrying Amount
Borrowings	38.46	93.05	-	131.51	110.46
Other Financial liabilities	257.52	-	-	257.52	257.52
Total	295.98	93.05	-	389.03	367.98

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates etc. could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

Interest rate Risks

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The borrowings are fixed rate borrowings and are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

The Company does not have any variable rate borrowing which is subject to interest rate risk. (₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fixed Rate Borrowings	80.35	110.46

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36 **Capital Management**

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Company monitors capital on the basis of the gearing ratio which is net debt divided by total capital (equity plus net debt) .

Net debt are non-current and current debts as reduced by cash and cash equivalents and current investments. Equity comprises all components including other comprehensive income.

The following table summarizes the capital of the Company:

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-Current Borrowings (Refer Note :13)	53.03	80.94
Current Maturities of Long term Debt (Refer Note :15)	27.32	29.52
Total Borrowings (a)	**80.35**	**110.46**
Cash and Cash equivalents (Refer Note :6)	32.53	45.22
Total Cash (b)	**32.53**	**45.22**
Net Debt (c) = (a)-(b)	47.82	65.24
Share Capital (Refer note no. 11)	60.00	60.00
Other Equity (Refer note no. 12)	1,899.02	1,953.02
Total Equity (d)	**1,959.02**	**2,013.02**
Total Capital (e) = (c)+(d)	**2,006.84**	**2,078.26**
Gearing Ratio = (c)/(e)	**0.02**	**0.03**

37 **Segment Information:**

- The company was is in the business of authorised Business Correpondent of banks and financial institutions which was the only reportable operating segment till year ended 31st March, 2018. For the year ended 31st March, 2019, the company has not done any business activity. Hence, separate disclosure requirements of Ind AS -108 "Segment Reporting" are not applicable.

38 **Related Party Disclosures:**

(i) List of related parties with whom transactions have taken place during the year ended 31st March,2019 and relationship:

(a) Holding Company:
- New Opportunity Consultancy Private Limited

(b) Key Management Personnel:
- Mr. Ganesh Rao
- Mrs. Meenakshi Rao
- Mr. V.K.Mohan

(c) Others: (Enterprise over which key management personnel are able to exercise significant influence)
- Parameshwaran Associates

(ii) Related Party Transactions: (₹ in lakhs)

Nature of Transactions	Holding Company		Key Management Personnel		Others	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Interest Expenses	-	1.36	-	-	-	-
Professional fees paid	-	-	-	-	2.56	2.56
Loan Given during the year	1,680.00	-	-	-	-	-
Loan repaid during the year	-	110.00	-	-	-	-
Sale of fixed assets	66.07	60.06	-	-	-	-
Gratuity liability transferred (net)	-	16.23	-	-	-	-
Transfer of rental deposits	-	54.96	-	-	-	-
Financial guarantee given	-	249.85	-	-	-	-
Rent Reimbursement received	46.31	-	-	-	-	-
Software usage Reimbursement	15.09	-	-	-	-	-
Interest Receivable	11.61	-	-	-	-	-
Amount receivable	1,691.61	354.80	-	-	-	-
Amount payable	-	-	-	-	-	-

39 **Reconciliation of the opening and closing balances of liabilities arising from Financing activities:**

Particulars	As at 31st March, 2019	As at 31st March, 2018	Fair value / Ind AS adjustments	Cash flows- inflow/ (Outflow)
Long-term borrowings (Net)	80.35	110.46	-	(30.11)

Particulars	As at 31st March, 2019	As at 31st March, 2018	Fair value / Ind AS adjustments	Cash flows- inflow/ (Outflow)
Long-term borrowings (Net)	110.46	248.20	-	(137.74)

40 **Ind AS 116 Leases** : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.
The Company continues to evaluate the impact of the New Lease Standard on the lease arrangements and shall determine the appropriate transition option once the said evaluation is completed.

41 The Company, being a company registered u/s 8 of the Companies Act, 2013, has received ` 5.45 lakhs during the previous financial year for the purpose of conducting CSR activity and had accordingly spent an equal amount for the said purpose. In the current financial year, no such amount has been received.

42 FLDG commitment charges paid represents the amount paid by the company towards the obligation of making good the loss suffered by banks/financial institutions on account of uncollected EMI's from the members of JLG/SHG to the extent of first 5% of loan portfolio outstanding.

43 Previous years figures have been regrouped, reclassified and rearranged wherever necessary to conform to the current year's classification.

44 Figures have been rounded off to the nearest rupees in LAKHS

In terms of our report of date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

For and on behalf of the Board of Directors

Snehal Shah
Partner
Membership No. 48539
Place : Mumbai
Date: 25-04-2019

HARIBHAKTI & CO. MUMBAI CHARTERED ACCOUNTANTS

Ganesh Ramanand Rao
Director
DIN:02302989
Place : Mumbai
Date: 25-04-2019

Meenakshi Ganesh Rao
Director
DIN:06748708

Indian Association for Savings and Credit
Notes to financial statements for the year ended 31^{st} March, 2019

1. **Significant Accounting Policies**

i. Corporate Information:

- Indian Association for Savings and Credit (IASC) is a Company registered u/s 8 of the Companies Act,2013.

ii. General Information and Statement of Compliance with Ind AS:

These financial statements ('financial statements') of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented. The financial statements for the year ended 31st March, 2019 were authorized and approved for issue by the Board of Directors on 25^{th} April, 2019.

iii. Basis of Preparation:

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India.

The Financial Statements have been prepared & presented on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on the basis stated above, except for Accounting for Leases that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use under Ind AS 36. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

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- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

iv. **Use of Estimates:**

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed separately under the heading "Significant accounting Judgements, estimates and assumption".

v. **Current versus non-current classification**

The entity presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current, when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current, when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.

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- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The entity classifies all other liabilities as non-current.

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

vi. Foreign currency transactions

Functional and presentation currency

The financial statements are presented in Indian Rupee in lakhs which is also the functional and presentation currency of the Company. All amounts have been rounded-off to the nearest rupee in thousands.

(a) Initial recognition

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

(b) Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

xExchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

vii. Property, Plant and Equipment:

Property, Plant and Equipment (PPE), being fixed assets are tangible items that are held for use in supply of services or for administrative purposes and are expected to be used for more than a period of twelve months. They 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.

Depreciation on Property, Plant and Equipment (PPE) are provided under straight line method as per the useful lives and manner prescribed under Schedule II to the Companies Act, 2013, except leasehold buildings under operating lease arrangements, which are amortised over the leasehold period.

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 Company has used the following useful lives to provide depreciation on its Property, Plant and Equipment:

Class of Assets	Useful Lives
Furniture and fixtures	10 years
Office equipments	5 years
Vehicles	8 years
Computers	3 years

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

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 prospectively to reflect the changed pattern.

The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of Property, Plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is de-recognised.

viii. Intangible assets and amortisation:

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. Operating software is capitalised and amortised along with the related fixed asset.

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The Company has used the following useful lives to amortise its intangible assets:

Class of Assets	Useful Lives
Computer software	3 Years

ix. Impairment of Non Financial assets:

The Company periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognized.

x. Business Combinations:

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for using the pooling of interests method.

Other business combinations, involving entities or businesses are accounted for using acquisition method.

The Company has elected not to apply Ind AS 103 'Business Combinations' retrospectively to past business combinations that occurred before the transition date of April 1, 2016.

xi. Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity investments (other than investments in subsidiaries and joint ventures):

All equity investments within the scope of Ind AS 109,' Financial Instruments', are measured at fair value either through statement of profit and loss or other comprehensive income. The Company makes an irrevocable election to present in OCI the subsequent changes in the fair value on an instrument-by-instrument basis. The classification is made on initial recognition.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in the OCI. Any gains or losses on de-recognition is recognized in the OCI and are not recycled to the statement of profit or loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition of Financial Assets:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognized when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Investment in Subsidiaries, Associates and Joint ventures:
The Company's investment in equity instruments of Subsidiaries, Associates and Joint venture are accounted for at cost as per Ind AS 27.

2. Financial Liabilities

Initial recognition and measurement
All financial liabilities are recognized initially at fair value and transaction cost (if any) that is attributable to the acquisition of the financial liabilities is also adjusted.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

a. Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

b. Trade and other payables
These amounts represent liabilities for goods or services provided to the Company which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortized cost unless designated as fair value through profit and loss at the inception.

c. Other financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial guarantee contracts:

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the company are initially measured at their fair values and are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18.

De-recognition of Financial Liabilities:

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

3. Offsetting of financial instruments

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

4. Compound Financial Instruments:

A financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and is subsequently measured at amortized cost. The residual value is recognized as equity component of other financial instrument and is not re-measured after initial recognition.

The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognized directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortized using effective interest method.

xii. Impairment of Financial assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

xiii. Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level Input that is significant to the fair value measurement as a whole) at the end of each reporting period.

xiv. Revenue Recognition:

a. Revenue from Operations

Income from product delivery and services from banks in the capacity of Business Correspondent are recognized on accrual when the Company's performance obligation is satisfied. However, there is no such income in the current year.

b.Interest Income:

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. The expected cash flows are reassessed on a yearly basis and changes, if any, are accounted prospectively.

c.Other Operating Revenue:

Other Operating revenue comprises income from ancillary activities incidental to the operations of the company and are recognized when the right to receive the income is established as per the terms of the contract.

xv. **Leases:**

a. Company as a Lessor

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

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

b. Company as a Lessee

Assets acquired under lease where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such lease is capitalized at the inception of the lease at lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term unless the increase in lease rentals over the period of the lease is to compensate for the inflation cost.

xvi. **Employee benefits**

1. Short Term and other long term employee benefits:

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Compensated leave absences are encashed by employees at year end and no carry forward of leave is permitted as per the leave policy.

2. Post-Employment Benefits

a. Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Superannuation Fund. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

b. Defined Benefit Plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in OCI in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment.

xvii. Borrowing costs:

Borrowing costs directly attributable to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. All other borrowing costs are charged to statement of profit and loss.

xviii. Provisions:

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

xix. Contingent liabilities and Contingent Assets:

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

Contingent Assets are not recognized but are disclosed when the inflow of economic benefits are probable.

xx. 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. Partly paid equity shares (if any) are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and consolidation of shares if any.

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.

xxi. Taxes on Income:

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Tax expense comprises of current and deferred tax.

a. Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in other comprehensive income / equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b. Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

c. Minimum Alternate Tax:

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is

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convincing evidence that the Company will pay normal income tax. The carrying amount of MAT is reviewed at each reporting date and asset will be written down to the extent the company's right of adjustment would lapse.
Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

xxii. Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Significant accounting Judgments, estimates and assumptions:

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgments that the management has made in the process of applying the Company's accounting policies:

a) Recognition of deferred tax assets:

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

b) Provision and contingent liability:

On an ongoing basis, the Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies, the likelihood of which is remote, are not disclosed in the financial statements.

c) **Useful lives of depreciable assets:**

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2019 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

d) **Evaluation of indicators for impairment of assets:**

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

e) **Defined benefit obligation:**

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

f) **Fair value measurements:**

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.