

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, 2021. The summarized financial results of the company are presented hereunder: -

1. Financial Summary and Highlights:

Particulars	(Rs. In Lakh)	
	2020-2021	2019-2020
Interest Income	227.49	336.44
Other Income	14.69	41.31
Total Income	242.17	377.75
Total Expenditure	648.19	299.72
Profit (Loss) before tax	(406.02)	78.03
Provision for taxation and Deferred Taxes	96.58	34.39
Profit /(Loss) for the year	(503.60)	43.64
Total Comprehensive Income	(502.19)	43.90

During the financial year under review, your company has registered a total income of Rs. 242.17 lakhs when compared to Rs. 377.75 lakhs in the previous year. The loss for the period is Rs. (503.60) lakhs when compared to profit of Rs. 43.64 lakhs in the previous year.

2. Transfer to Reserves

The Company has made a loss of Rs. 503.60 lakhs for the financial year ended 31st March, 2021 which has been adjusted against retained earnings of the Company.



3. State of Company's affairs

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.

4. Change in Nature of Business

The Company did not carry on any business operations during the financial year ended 31st March, 2021. The income of the company is primarily derived from the earnings Income received by the Company from loans provided.

5. Changes in Share Capital & Debentures

There is no change in the share capital of the Company during the financial year under review. Your Company has not issued any debentures or debt instruments during the financial year ended 31st March, 2021.

6. Disclosure regarding issue of Employee Stock Options

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

7. Web-link of Annual Return

As per Section 134 (3) (a) and Section 92 (3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the annual return of the Company for the financial year ended 31st March 2021 is available at the web address http://www.iasc.in/?page_id=36.



8. Board and its Committees**BOARD MEETINGS:**

During the financial year ended 31st March 2021, 10 (Ten) Board Meetings were held on 16th April, 2020, 7th May, 2020, 25th May, 2020, 01st August, 2020, 05th September, 2020, 21st September, 2020, 29th October, 2020, 12th December, 2020, 12th January, 2021, 15th March, 2021.

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

S. No.	Particulars	Attendance
1.	Mr. Ganesh Rao	10
2.	Mrs. Meenakshi Rao	10
3.	Mr. V.K. Mohan	10

Committees of the Board:**CSR Initiatives:**

Pursuant to Section 135 of the Companies Act, 2013 ("Act") 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 at <https://www.iasc.in/?page id=809>.

The Board had constituted a CSR committee. The CSR committee comprises of the following members.

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

However, since the Company is not falling under any criteria under Section 135(1) of the Act for three (3) consecutive financial years, (FY 2017-18, FY 2018-19 and FY 2019-20), hence it is exempted from the constitution of CSR committee as well as complying with the other CSR compliance requirements specified in Section 135 of the Act for FY 2020-21.



9. Directors' Responsibility Statement

To the best of their knowledge and belief, and according to the information and explanations obtained by them, your Directors confirm the following in terms of Section 134 (5) 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 have 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 have 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 have prepared the annual accounts on a going concern basis; and
- e. 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.

10. Loan from Directors

The Company has not obtained any unsecured loan from Directors during the period under review. There are no outstanding loans from the Directors of the Company as on 31st March 2021.

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

During the financial year under review, the Company has provided inter - corporate loans and made inter corporate investments as given below pursuant to the provisions of



Section 186 of the Companies Act, 2013 and the Rules framed thereunder.

S. No	Name	Nature	Purpose	Date of Loan / Guarantee / Investment	Amount (Rs.)	Date of Board Resolution	Date of Shareholders' Resolution
1	Questo Wellbeing Private Limited	Investment in the preference share capital	Investment	19/06/2020	10,00,350	07/05/2020	14/05/2020
2	FourDegreeWater Private Limited	Investment in the Preference Share Capital	Investment	20/06/2020	10,04,640	07/05/2020	14/05/2020
3	Ambition Services Private Limited	Inter Corporate Loan	Working Capital	10/09/2020 (25 Lakhs) 14/09/2020 (20 Lakhs) 15/09/2020 (20 Lakhs) 17/09/2020 (10 Lakhs) 06/03/2021 (30 Lakhs)	1,05,00,000	01/08/2020	24/08/2020
4	Kudos Finance and Investments Private Limited	Investment in Preference Share Capital	Investment	26/03/2021	14,99,820	15/03/2021	19/03/2021



The disclosures for the intercorporate loans and investments have been given in the financial statements (Notes 4 & 5)

12. 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.

13. Material Changes and commitments Affecting the Financial Position of the Company

There have been no material changes and commitments during the period commencing from the end of the financial year 2020-21, till the date of this report, which affect the financial position of the Company.

14. Particulars of Energy conservation, Technological Absorption & Foreign Exchange Earnings/Outgo

(i) Conservation of Energy & Technological Absorption and Research & Development (R & D)

Since your Company does not carry on any manufacturing activity, 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. However, significant measures are being taken to reduce the energy consumption by using energy-efficient equipment.

Your company does not have any research and development facility and has not incurred any expenditure towards research and development.

(ii) Foreign Exchange Earnings/Outgo

Your Company does not have any foreign currency earnings or expenditure during the financial year ended 31st March, 2021.

15. Details of Directors and Key Managerial Personnel

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

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



In accordance with the requirements of the Act and the Company's Articles of Association, Mrs. Meenakshi Rao (DIN:06748708), Director, retired by rotation at the Annual General Meeting held on 23rd July 2020 and was re-appointed.

16. Significant & Material Orders passed by the Regulators or court or tribunal

During the financial year ended 31st March 2021, there were no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and your company's operations in future.

17. Internal Audit and Internal Financial Control

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. 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.

The Company has well established and adequate Internal Control Systems and Procedures for safeguarding of its assets, processes for prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial statements.

18. Deposits from public

Your Company did not accept any deposits during the financial year under review.

19. Auditors

Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s Haribhakti & Co. LLP, Chartered Accountants were re - appointed as the statutory auditors of the Company at the Annual General Meeting (AGM) held on 25th July, 2019 to hold office for a period of five financial years.



The report of the statutory Auditors to the members on the Financial Statements is annexed to and forms part of the same does not contain any reservation, qualification or adverse/disclaimer remark.

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 detected or reported by the Statutory Auditor for the financial year under review pursuant to Section 143 (12) of the Companies Act, 2013.

20. Risk Management

Your Company, having discontinued its operations, the exposure to risks is minimal. However, the management reviews have put in place adequate risk-management policy / measures.

21. Maintenance of Cost Records

The maintenance of cost records and requirements of cost audit as prescribed under the provision of Section 148(1) of the Act is not by the Company.

22. Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (POSH ACT)

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 and the same is available at the web address <http://www.iasc.in/wp-content/uploads/2017/06/POLICY-ON-SEXUAL-HARRASMENT.pdf>. 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 were received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

23. Secretarial Standards of ICSI

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.



Acknowledgement

Your Directors wish to thank the bankers, shareholders, 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



Ganesh Rao
Director
DIN: 02302989

Meenakshi Rao
Director
DIN: 06748708

Place: Mumbai
Date: 07/05/2021

HARIBHAKTI & CO. LLP

Chartered Accountants

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, 2021, 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") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2021, 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 on the Ind AS financial statements.

Other Information

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

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind



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AS 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.

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 prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.



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- d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e. On the basis of the written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act;
- f. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial control.
- g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

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.

- 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 does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise; and

(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. 048539

UDIN: 21048539AAAABG3549

Place : Mumbai

Date : May 08, 2021



Indian Association for Savings and Credit
(Registered under Section 8 of the Companies Act, 2013)
Balance Sheet as at 31st March, 2021

		(₹ in lakhs)	
Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	12.43	23.52
(b) Right-Of-Use Asset	3	44.20	-
(c) Other Intangible Assets	4	0.13	-
(d) Financial Assets			
- Investments	5	76.03	96.64
- Loans	6	1,149.08	1,680.00
(e) Deferred Tax Assets (net)	24	-	40.81
(f) Non Current Tax Assets (net)		49.51	54.98
(f) Other Non-current Assets	7	4.50	-
Total Non-current Assets		1,335.88	1,895.95
Current assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	8	18.06	26.05
(ii) Loans	6	105.00	105.00
(iii) Others	9	92.47	21.98
(b) Other Current Assets	10	18.85	17.77
Total Current Assets		234.38	170.80
Total Assets		1,570.25	2,066.75
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11	60.00	60.00
(b) Other Equity	12	1,440.72	1,942.92
Total equity		1,500.72	2,002.92
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	1.75	19.02
(ii) Other Financial Liabilities	14	38.95	-
Total non-current liabilities		40.69	19.02
Current liabilities			
(a) Financial Liabilities			
- Other Financial Liabilities	15	28.07	36.57
(b) Other Current Liabilities	16	0.58	0.77
(c) Current Tax Liabilities (Net)	17	-	7.46
Total Current Liabilities		28.65	44.80
Total Liabilities		69.35	63.82
Total Equity and Liabilities		1,570.25	2,066.75

The accompanying notes 1 to 41 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. 048539



For and on behalf of the Board of Directors



Ganesh Ramanand Rao
Director
DIN: 02302989





Meenakshi Ganesh Rao
Director
DIN: 06748708

Place : Mumbai
Date : 08th May, 2021

Place : Mumbai
Date : 07th May, 2021

Indian Association for Savings and Credit
(Registered under Section 8 of the Companies Act, 2013)
Statement of Profit and Loss Account at 31st March, 2021

(₹ in lakhs)

Particulars	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
I. Revenue from operations	18	227.49	336.44
II. Other income	19	14.69	41.31
III. Total Income (I + II)		242.17	377.75
IV. EXPENSES:			
Employee benefits expense	20	9.88	19.44
Finance costs	21	5.85	6.12
Depreciation and amortization expense	22	7.72	7.74
Other expenses	23	624.74	266.42
Total expenses (IV)		648.19	299.72
V Profit/ (loss) before tax (III - IV)		(406.02)	78.03
VI Tax Expense	24		
(1) Current tax		55.91	41.00
(2) Deferred tax		40.67	(40.90)
(3) Taxation for earlier years		-	34.29
VII Profit / (loss) for the year (V - VI)		(502.60)	43.64
VIII Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of post employment benefit obligations		0.55	0.35
Income tax relating to these items that will not be reclassified to profit or loss		(0.14)	(0.09)
Total other comprehensive income		0.41	0.26
IX Total comprehensive income (VII+VIII)		(502.19)	43.90
X Earnings per equity share (Face value ₹10 each):	25		
- Basic & Diluted		(83.77)	7.27

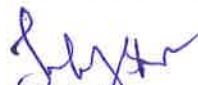
The accompanying notes 1 to 41 are an integral part of the financial statements.

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. 048539

Place : Mumbai
Date : 08th May, 2021



For and on behalf of the Board of Directors

Ganesh Ramanand Rao
Director
DIN: 02302989

Meenakshi Ganesh Rao
Director
DIN: 06748708

Place : Mumbai
Date : 07th May, 2021

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, 2021

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
A. Cash flows from operating activities				
Profit/(Loss) before tax		(406.02)		78.03
Adjustments for:				
Depreciation and amortization expenses	7.72		7.74	
Loss on sale of PPE	6.74		-	
Loss on fair value changes of equity instruments	-		3.36	
Loss on fair value changes of Financial assets	530.92		-	
Loss on fair value changes on Investments	55.66		-	
Expected Credit Loss on Service Tax Reimbursement	-		153.34	
Interest expense	5.85	606.89	6.12	170.56
Operating cash flows before working capital changes		200.87		248.59
- (Increase)/decrease in Non-current and current financial assets	480.74		(202.47)	
- (Increase)/decrease in Other non-current and current assets	(5.58)		23.53	
- (Decrease)/increase in non-current and current financial liabilities	5.94		2.44	
- (Decrease)/increase in other non-current and current liabilities	38.75		(8.16)	
- (Decrease)/increase in other non-current and current provisions	-	519.86	-	(184.67)
Cash used in operations		720.74		63.93
Income taxes Paid (Net of Refunds)		(19.28)		(33.79)
Net cash used in operating activities - (A)		701.46		30.14
B. Cash flows from investing activities				
Purchase of PPE and Intangible assets		(44.38)		-
Investment in companies (New Investment Fy-20-21)		(35.04)		-
Loss on fair value changes of Financial assets		(530.92)		-
Loss on fair value changes on Investments		(55.66)		-
Proceeds from sale of PPE and Intangible assets		(6.74)		-
Net cash generated from investing activities - (B)		(672.74)		-
C. Cash flow from Financing activities				
Repayment of non-current borrowings (Refer Note 37)		(31.69)		(30.77)
Interest paid		(5.00)		(5.84)
Net cash used in financing activities - (C)		(36.70)		(36.62)
Net decrease in cash and cash equivalents (A+B+C)		(7.99)		(6.48)
Cash and cash equivalents at the beginning of the year		26.05		32.53
Cash and cash equivalents at the end of the year		18.06		26.05
Components of Cash & Cash Equivalents as at the year end				
Cash		-		-
Balances with Bank in current accounts		18.06		26.05
		18.06		26.05

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 41 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

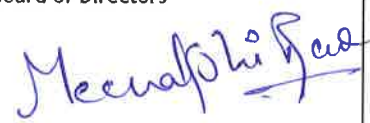

Snehal Shan
Partner
Membership No. 48539



For and on behalf of the Board of Directors



Ganesh Ramanand Rao
Director
DIN:02302989



Meenakshi Ganesh Rao
Director
DIN:06748708

Place: Mumbai
Date : 07th May, 2021

Place: Mumbai
Date : 08th May, 2021



2. Property, Plant and Equipment (PPE)			(₹ in lakhs)
Particulars	Land	Vehicles	Total
Gross Block			
As at 1st April, 2019	6.74	36.76	43.50
Additions during the year	-	-	-
Disposals during the year	-	-	-
As at 31st March, 2020	6.74	36.76	43.50
Additions during the year	-	-	-
Disposals during the year	-	-	-
As at 31st March, 2021	6.74	36.76	43.50
Accumulated Depreciation			
As at 1st April, 2019	-	12.24	12.24
Depreciation charged during the year	-	7.74	7.74
Disposals during the year	-	-	-
As at 31st March, 2020	-	19.98	19.98
Depreciation charged during the year	6.74	4.35	11.09
Disposals during the year	-	-	-
As at 31st March, 2021	6.74	24.33	31.07
Net Carrying amount			
As at 31st March, 2020	6.74	16.78	23.52
As at 31st March, 2021	-	12.43	12.43
For assets secured against borrowings, see Note 13.			



3. Right-Of-Use Asset

- (i) Amounts to be recognised in balance sheet as on March 31, 2021
The balance sheet shows the following amounts relating to leases :

(₹ in lakhs)	
Right to use assets	March 31, 2021
Lease hold land	44.20
Total	44.20

(Additions to the right-of-use assets during the financial year 2020-21 were Rs. 47.36 lakhs)

(₹ in lakhs)	
Lease liabilities	March 31, 2021
Current	6.49
Non - Current	38.95
Total	45.43

- (ii) Amounts to be recognised in Statement of Profit and Loss for the year ended March 31, 2021

The Statement of Profit and Loss shows the following amounts relating to leases:

(₹ in lakhs)	
Depreciation	March 31, 2021
Vehicles	3.16
Total	3.16

Interest expenses on lease liabilities (included in finance cost) Rs. 1.87 lakhs

- (iii) Total cash outflow for leases during financial year was :

(₹ in lakhs)	
Particulars	March 31, 2021
Operating cash flows : Interest expenses	-1.87
Total	-1.87

Impact of change in the accounting policy

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method of transition, accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The effect of this adoption is insignificant on the profit for the period, earnings per share, total assets, total liabilities and adjustment to retained earnings.



(i) Summary of practical expedients applied on initial application of Ind AS 116 Leases -

In applying IND AS 116 for the first time, the company has used the following practical expedients permitted by the standard:

1. Relying on assessments performed immediately before initial application on whether leases are onerous as per Ind AS 37 Provisions,Contingent liabilities and Contingent Assets, as an alternative to performing an impairment review as per Ind AS 36 -Impairments of assets as on the date of initial application - there were no onerous contracts as at 1 April 2019
2. Accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases, and
3. Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, the company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying IndAS 17

(ii) Measurement of lease liabilities

Operating lease commitments disclosed as at March 31, 2020	-
Operating lease commitments as on March 31,2020 discounted using the lessee's incremental borrowing rate of at the date of initial application	-
Add: finance lease liabilities recognised as at 31 March 2020	-
(Less): short-term leases not recognised as a liability	-
Add/(less): adjustments for non-cancellable lease	-
Lease liability recognised as at 1 April 2020	-
Of which are:	
Current lease liabilities	-
Non-current lease liabilities	-



Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2021

4. Other Intangible assets		(₹ in lakhs)
Particulars	Computer Software	Total
Gross Block		
As at 1st April, 2019	6.81	6.81
Additions during the year	-	-
Disposals during the year	6.81	6.81
As at 31st March, 2020	-	-
Additions during the year	0.18	0.18
Disposals during the year	-	-
As at 31st March, 2021	0.18	0.18
Accumulated amortization		
As at 1st April, 2019	-	-
Amortization during the year	-	-
Disposals during the year	-	-
As at 31st March, 2020	-	-
Amortization during the year	0.05	0.05
Disposals during the year	-	-
As at 31st March, 2021	0.05	0.05
Net Carrying amount		
As at 31st March, 2020	-	-
As at 31st March, 2021	0.13	0.13



Indian Association for Savings and Credit

Notes to financial statements for the year ended 31st March, 2021

5. Investment		
Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹ in lakhs	₹ in lakhs
Investment carried at FVTPL - Trade - Unquoted		
- Investments in equity instruments of Conatus Finserve Private Limited		
- 400,010 Equity Shares of ₹ 10/- each fully paid up (31st March, 2020: 400,010 Equity shares)		
Extent of holding - 2.70% (31st March, 2020: 2.70%)		
Refer Note 36	61.00	96.64
Investment in FourDegree Water Pvt Ltd	0.02	-
Investment in Questo Welbeing Pvt Ltd	0.01	-
Investment in Kudos Finance Investment Ltd	15.00	-
Total	76.03	96.64
Aggregate amount of Unquoted Investments	76.03	96.64
Aggregate provision for diminution in value of investments	55.66	-
6. Loans		
Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹ in lakhs	₹ in lakhs
Non-current		
Unsecured, considered good		
Inter Corporate loan given to Holding Company - New Opportunity Consultancy Private Limited (Refer Note 31 and Note 36)	1,149.08	1,680.00
Total	1,149.08	1,680.00
Current		
Secured, considered good		
Inter Corporate loan (Refer Note 31)	105.00	105.00
Unsecured, considered good		
Inter Corporate loan (Refer Note 31)	-	-
Loans to employees	-	-
Total	105.00	105.00
Inter Corporate loan given to a Company in which Director is a member ₹ 105 lakhs (PY ₹ 105 lakhs).		



Indian Association for Savings and Credit

Notes to financial statements for the year ended 31st March, 2021

7. Other Non-current Assets		
Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹ in lakhs	₹ in lakhs
Rental Deposit	4.50	-
Total	4.50	-
8. Cash and Cash Equivalents		
Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹ in lakhs	₹ in lakhs
Balance with Banks - In Current Account	18.06	26.05
Cash on Hand	-	-
Total	18.06	26.05
9. Other Financial Assets - Current		
Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹ in lakhs	₹ in lakhs
Unsecured, considered good unless otherwise specified Interest Accrued on loans from related parties (Refer Note 36)	78.35	9.25
Interest Accrued on other loans	1.45	1.55
Rental deposits	-	4.50
Balance with Government Authorities	12.66	6.68
Reimbursement of expenses	-	153.34
Less: Provision created for Expected Credit Loss	-	(153.34)
Total	92.47	21.98
10. Other Current Assets		
Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹ in lakhs	₹ in lakhs
Unsecured, considered good		
Prepaid expenses	0.13	0.23
Gratuity (Refer Note 26)	18.71	17.54
Total	18.85	17.77



11. Equity Share Capital				
Particulars	As at 31st March, 2021		As at 31st March, 2020	
	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, 2021		As at 31st March, 2020	
	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, 2021		As at 31st March, 2020	
	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, 2021		As at 31st March, 2020	
	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, 2021	As at 31st March, 2020
	₹ in lakhs	₹ in lakhs
Retained earnings	1,942.92	1,899.02
Add: Profit / (Loss) for the year	(502.60)	43.64
Add: Transfer from Other Comprehensive Income	0.41	0.26
Total	1,440.72	1,942.92

Retained Earnings: Retained earnings are the balance (debit / credit) in the Statement of Profit and Loss.



Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2021

13. Financial Liabilities: Borrowings				
Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Non Current	Current	Non Current	Current
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Secured Loans				
Vehicle Loans (Refer Note (i) below)	-	0.62	0.95	3.72
Unsecured Loans				
Loans from Financial Institutions (Refer Note (ii) below)	1.75	15.53	18.07	26.83
Total	1.75	16.15	19.02	30.55

14. Other Financial Liabilities: Non Current

Particulars	As at	As at
	31st March, 2021	31st March, 2020
	₹ in lakhs	₹ in lakhs
Lease Liability (Refer Note 3)	38.95	-
Total	38.95	-

The Company has not defaulted in the payment of interest and installments of the loans as at 31st March 2021

(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 31-03-2021 of ₹ 0.62 lakh is repayable in 2 monthly instalments of ₹ 0.33 lakh. The interest is payable on monthly basis and the rate of interest is 9.99% per annum respectively.

(ii) Unsecured Loans from HDFC Limited as on 31-03-2021 of ₹ 2.75 lakhs and ₹ 14.52 lakhs are repayable in 2 and 15 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.

15. Other Financial Liabilities: Current

Particulars	As at	As at
	31st March, 2021	31st March, 2020
	₹ in lakhs	₹ in lakhs
Current maturities of long term debt (Refer Note 13)	16.15	30.55
Interest accrued but not due on borrowings	-	0.04
Other payables and accruals - dues to Micro and small Enterprises	-	-
Lease Liability - Current	6.49	-
Other payables and accruals - dues other than Micro and small Enterprises *	5.44	5.98
Total	28.07	36.57

* Other payables and accruals represents accrued expenses.

16. Other Current Liabilities

Particulars	As at	As at
	31st March, 2021	31st March, 2020
	₹ in lakhs	₹ in lakhs
Statutory dues payable	0.58	0.77
Total	0.58	0.77

17. Current tax liabilities (net)

Particulars	As at	As at
	31st March, 2021	31st March, 2020
	₹ in lakhs	₹ in lakhs
Provision for taxation (net of Advance tax of ₹ 64.28 lakhs ,PY: ₹ 33.89 lakhs)	-	7.46
Total	-	7.46



Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2021

18. Revenue from operations		
Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹ in lakhs	₹ in lakhs
<u>Sale of services</u>		
Commission Income	-	-
<u>Other operating revenues</u>		
Interest on Margin Deposits	-	-
Interest on Inter Corporate loan (Refer Note 36)	227.49	336.44
Total	227.49	336.44
19. Other income		
Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹ in lakhs	₹ in lakhs
Rent reimbursement received (Refer Note 36)	-	28.17
Software usage reimbursement (Refer Note 36)	-	12.51
Interest on income tax refund	1.66	-
Interest income on financial assets	12.42	-
Excess provision of Gratuity Written-back (Refer Note 26)	0.61	0.62
Miscellaneous Income	-	0.01
Total	14.69	41.31
20. Employee benefits expense		
Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹ in lakhs	₹ in lakhs
Salaries & Wages	9.46	17.39
Contribution to Provident Fund and Other Funds (Refer note 26)	0.41	1.09
Staff Welfare Expenses	0.01	0.96
Total	9.88	19.44
21. Finance cost		
Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹ in lakhs	₹ in lakhs
Interest Expense	4.97	5.77
Interest On Income Tax	0.88	0.35
Total	5.85	6.12
22. Depreciation and amortization expense		
Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹ in lakhs	₹ in lakhs
Depreciation on Property, Plant and Equipment (Refer Note 2)	7.67	7.74
Amortisation on Intangible Assets (Refer Note 4)	0.05	-
Total	7.72	7.74



Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2021

23. Other expenses		
Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹ in lakhs	₹ in lakhs
Travelling & Conveyance	0.05	2.59
Postage & Telephone	0.22	0.39
Insurance	0.58	1.23
Rent (Refer Note 29)	6.83	40.52
Electricity Charges	0.24	1.29
Printing and Stationery	-	0.28
Repair & Maintenance - Vehicle	0.55	2.49
Office Upkeep and Maintenance	0.35	6.05
Software Usage Charges	10.01	24.23
Professional & Legal Expenses	7.95	10.87
CSR Expenses (Refer Note 30)	0.05	14.53
Auditors Remuneration (Refer Note 23.1)	4.50	4.64
Rates & taxes	0.05	0.07
Impairment of loss on land	6.74	-
Bank Charges	0.01	0.04
Loss on fair valuation of Financial Assets	530.92	-
Loss on fair value changes of equity instruments	-	3.36
Loss on fair values on Investment	55.66	-
Expected Credit Loss on Service Tax Reimbursement	-	153.34
Miscellaneous Expenses	-	0.50
Total	624.71	266.42

23.1 Remuneration to auditors (excluding GST)		
Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹ in lakhs	₹ in lakhs
a. for Statutory Audit	4.50	4.50
b. for Taxation Matters	-	-
c. for Reimbursement of expenses	-	0.14
	4.50	4.64



Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2021

24. Tax expense		
Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹ in lakhs	₹ in lakhs
A. Current Tax		
Current tax on profit for the year	55.91	41.00
Charge/ (Credit) in respect of current tax for earlier years	-	34.29
TOTAL (A)	55.91	75.29
B. Deferred Tax		
Origination and reversal of temporary differences	40.67	(40.90)
Charge in respect of deferred tax for earlier years	-	-
TOTAL (B)	40.67	(40.90)
Tax expense recognized in Statement of Profit and Loss		
TOTAL (A)+(B)	96.58	34.39
Tax expense recognized in Other Comprehensive Income (c)	0.14	0.09
Total Tax Expense / (benefit)	96.72	34.48

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, 2021	For the year ended 31st March, 2020
	₹ in lakhs	₹ in lakhs
Profit/(loss) before tax	(406.02)	78.03
Enacted tax rate	17.47%	17.47%
Expected income tax expense/(benefit) at statutory tax rate	(70.94)	13.63
<u>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:</u>		
Expenses not deductible in determining taxable profits	129.51	29.98
Income exempt from taxation	-	-
Unrecognized deferred tax assets #	-	-
Charge in respect of current tax for earlier years	-	34.29
Others	38.15	(43.43)
Tax expense for the year	96.72	34.48

Effective income tax rate -24% 44%

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) - Net

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹ in lakhs	₹ in lakhs
Deferred tax asset / (liability) on PPE & intangible assets	-	0.07
Deferred tax asset on ECL created	-	40.74
Deferred tax asset on business loss	-	-
Total	-	40.81



Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2021

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹ in lakhs	₹ in lakhs
(Charge) / Credit to Statement of Profit and Loss	(40.67)	40.90
(Charge) / Credit to Other Comprehensive Income	(0.14)	(0.09)
Total (Charge) / Credit during the year	(40.81)	40.81
# 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 losses and other allowances can be used:		
Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹ in lakhs	₹ in lakhs
Tax losses / Unabsorbed Depreciation	0.53	35.38
ECL provision	14.47	-
Short term capital loss	-	59.59
25. Earnings per share		
Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹ in lakhs	₹ in lakhs
Profit/(Loss) after tax	(502.60)	43.64
No. of Equity shares outstanding	600,000	600,000
Weighted Average no. of equity shares outstanding	600,000	600,000
Basic Earnings Per Share (in ₹)	(83.77)	7.27
Diluted Earnings Per Share (in ₹)	(83.77)	7.27



26 Employee benefits

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

A Defined contribution plans:

Particulars	(₹ in lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Employer's Contribution to PF	0.41	1.09
Employer's Contribution to ESIC	-	-
Employer's Contribution to labour welfare	0.00	-
Total	0.41	1.09

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: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Interest risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary escalation risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, higher than expected increases in salary will increase the defined benefit obligation.

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:

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Discount Rate *	3.87%	4.87%
Expected Return on Assets	3.87%	4.87%
Salary Escalation #	0% for 3 years and 4% thereafter	0% for 3 years and 4% thereafter
Attrition Rate	66.18%	66.18%
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

* The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.

The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amount recognized in Statement of Profit and Loss for the year:

Particulars	(₹ in lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Current Service Cost	0.07	0.18
Net Interest on Defined Benefit Obligations	(0.68)	(0.81)
Expenses recognized in the statement of profit and loss	(0.61)	(0.62)



Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2021

Recognized in Other Comprehensive Income (OCI) for the year

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Return on plan assets (excluding amounts included in net interest expense)	(0.55)	(0.43)
Actuarial (gains)/losses arising from changes in financial assumptions	0.17	0.01
Actuarial (gains)/losses arising from experience adjustments	(0.22)	0.07
Actuarial (gains)/losses due to Demographic Assumption changes in DBO	0.04	0.00
Amount recognized in OCI for the current period	(0.55)	(0.35)

Change in present value of defined benefit obligation

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Present value of obligations as at the beginning of the year	1.17	0.86
Current Service Cost	0.07	0.19
Interest on Defined Benefit Obligations	0.04	0.04
Actuarial (gain)/loss on plan obligation	(0.00)	0.08
Benefits paid	(0.43)	-
Present value of obligations as at the end of the year	0.84	1.17

Change in fair value of plan assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fair value of plan assets as at the beginning of the period	18.71	17.39
Return on plan assets	0.72	0.85
Contributions	0.01	0.04
Benefits paid	(0.43)	-
Actuarial gain/(loss) on plan assets	0.55	0.43
Fair value of plan assets as at the end of the period	19.55	18.71

Net (Asset)/ Liability recognized in Balance Sheet

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Present value of obligations	0.84	1.17
Fair Value of Plan Assets	19.55	18.71
Amount recognized	(18.71)	(17.54)

Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Within the next 12 months	0.56	0.73
Between 2 and 5 years	0.28	0.42
Between 6 and 10 years	0.01	0.01
Beyond 10 years	0.00	0.01

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.

Particulars (₹ in lakhs)	As at 31st March, 2021		As at 31st March, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate by 1%	0.83	0.85	1.15	1.18
Salary Escalation rate by 1%	0.85	0.84	1.17	1.16
Attrition rate by 1%	0.84	0.84	1.17	1.17
Mortality rate by 10%	0.84	-	1.17	-



Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2021

27 Acceptance of Public Deposits

The Board of Directors have passed a resolution in its meeting dated 16th April, 2020 stating that they will not accept any public deposits for the financial year ended 31st March, 2021

28 Tax Liabilities:

In view of the decision of the Board of Directors not to proceed further in getting the exemption under section 11/12A of the Income Tax Act, the income earned during the year has been appropriately considered for taxation. In the opinion of the management, the provision carried in the books of accounts for taxation is adequate.

29 Assets taken on operating lease:

The Company, as a Lessee, has entered into a cancellable agreement 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.

During the year, ₹ 6.83 lakhs (P.Y. ₹ 40.52 lakhs) has been debited to the Statement of Profit and Loss.

- (i) There are no restriction covenants in the lease agreement.
- (ii) The Company does not have any contingent lease rental expenses.

30 CSR Expenditure:

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
		₹ in lakhs	₹ in lakhs
a. Gross amount required to be spent by the company during the year		-	5.21
b. Amount spent during the year		0.05	14.53
Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/Acquisition of any asset	-	-	-
(ii) On purposes other than (i) above (previous year ₹ 14.53 lakhs)	0.05	-	0.05

31 Particulars of Loans, Guarantees and Investment under section 186 of the Companies Act, 2013:

(₹ in lakhs)			
Name of the Company	As at 31st March, 2021	As at 31st March, 2020	Purpose
Loans given:			
New Opportunity Consultancy Private Limited	1,149.08	1,680.00	Working capital
Ambition Services Private Limited	105.00	105.00	Working capital
Investments made:			
Conatus Finserve Private Limited	61.00	96.64	
Fourdegree Water Private Limited	0.02	-	
Questo Wellbeing Private Limited	0.01	-	
Total	1,315.11	1,881.64	



Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2021

32 Fair value measurements
i. Financial instruments by category

The carrying value & fair value of financial instruments by categories & hierarchy as at 31st March, 2021 were as follows:

Particulars	Note No.	Carrying amount				Fair value			
		FVTOCI	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total Fair value
(₹ in lakhs)									
Financial Assets									
Investments	4	-	76.03	-	76.03	-	-	76.03	76.03
Cash and Cash equivalents	8	-	-	18.06	18.06	-	-	-	-
Loans	6	-	-	1,254.08	1,254.08	-	-	-	-
Other financial assets	8	-	-	92.47	92.47	-	-	-	-
Financial Liabilities									
Borrowings	13	-	-	17.90	17.90	-	-	-	-
Other financial liabilities	13	-	-	11.92	11.92	-	-	-	-

The carrying value & fair value of financial instruments by categories & hierarchy as at 31st March, 2020 were as follows:

Particulars	Note No.	Carrying amount				Fair value			
		FVTOCI	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total Fair value
(₹ in lakhs)									
Financial Assets									
Investments	4	-	96.64	-	96.64	-	-	96.64	96.64
Cash and Cash equivalents	8	-	-	26.05	26.05	-	-	-	-
Loans	6	-	-	1,785.00	1,785.00	-	-	-	-
Other financial assets	8	-	-	21.98	21.98	-	-	-	-
Financial Liabilities									
Borrowings	13	-	-	49.58	49.58	-	-	-	-
Other financial liabilities	13	-	-	6.02	6.02	-	-	-	-

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:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 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).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The estimated fair value amounts as at 31st March, 2021 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.



33 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 counterparty 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.



Classification of Financial assets among risk categories:

Credit rating	Particulars	(₹ in lakhs)	
		As at 31st March, 2021	As at 31st March, 2020
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets (Refundable deposits)	1,440.63	1,929.67
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, 2021 are as follows:

Particulars	Contractual cash Flows			Total	Carrying Amount
	Less than 1 year	1-5 years	More than 5 years		
Borrowings	16.15	1.75	-	17.90	17.90
Other Financial liabilities	11.92	-	-	11.92	11.92
Total	28.07	1.75	-	29.82	29.82

Maturities of Financial Liabilities as at 31st March, 2020 are as follows:

Particulars	Contractual cash Flows			Total	Carrying Amount
	Less than 1 year	1-5 years	More than 5 years		
Borrowings	30.55	19.02	-	49.57	49.57
Other Financial liabilities	6.02	-	-	6.02	6.02
Total	36.57	19.02	-	55.59	55.59

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.

Particulars	(₹ in lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Fixed Rate Borrowings	17.90	49.58



34 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 gearing ratio of the Company:

Particulars	(₹ in lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Non-Current Borrowings (Refer Note 13)	1.75	19.02
Current Maturities of Long term Debt (Refer Note 13)	16.15	30.55
Total Borrowings (a)	17.90	49.58
Cash and Cash equivalents (Refer Note 8)	18.06	26.05
Total Cash (b)	18.06	26.05
Net Debt (c) = (a)-(b)	(0.16)	23.54
Share Capital (Refer Note 11)	60.00	60.00
Other Equity (Refer Note 12)	1,440.72	1,942.92
Total Equity (d)	1,500.72	2,002.92
Total Capital (e) = (c)+(d)	1,500.56	2,026.45
Gearing Ratio = (c)/(e)	(0.00)	0.01



35 Segment Information:

For the year ended 31st March, 2021, the company has not done any business activity. Hence, separate disclosure requirements of Ind AS -108 "Segment Reporting" are not applicable.

36 Related Party Disclosures:

(i) List of related parties with whom transactions have taken place during the year ended 31st March, 2021 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
- Conatus Finserve Private Limited

(ii) Related Party Transactions:

(₹ in lakhs)

Nature of Transactions	Holding Company		Key Management		Others	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Transactions during the year						
Professional fees paid	-	-	-	-	-	1.80
Loan Given during the year	-	-	-	-	-	100.00
Loan repaid during the year	-	-	-	-	-	100.00
Investment in shares	-	-	-	-	35.05	100.00
Sale of PPE and Intangible Assets	-	-	-	-	-	-
Interest received on loan	208.66	313.60	-	-	18.82	4.79
Rent Reimbursement received	-	28.17	-	-	-	-
Software usage Reimbursement received	-	12.51	-	-	-	-
Outstanding balances at the year end:						
Interest Receivable	78.35	9.25	-	-	-	-
Loan Receivable	1,149.08	1,680.00	-	-	-	-
Investment	-	-	-	-	76.03	96.64

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

Particulars	As at 31st March, 2021	As at 31st March, 2020	Fair value / Ind AS adjustments	Cash flows- inflow/ (Outflow)
Long-term borrowings (Net)	17.90	49.57	(5.00)	(36.70)

Particulars	As at 31st March, 2020	As at 31st March, 2019	Fair value / Ind AS adjustments	Cash flows- inflow/ (Outflow)
Long-term borrowings (Net)	49.57	80.35	(5.84)	(36.62)

The net cash flows - inflows/(outflows) are included in the Cash Flow Statement as Cash Flow from Financing Activities.



Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2021

- 38 The Code on Social Security, 2020 ('Code') received the Indian Parliament approval and Presidential Assent in September 2020. The Code once made effective would impact the employee benefits during employment as well as post employment benefits. The implementation of the Code has been deferred by the Central Government on March 30, 2021 and the date from which the code will be effective is yet to be notified. The impact assessment of the Code will be done by the Company once the same is made is effective.
- 39 In view of operating losses and on prudence basis, no deferred tax assets have been recognised.
- 40 Previous years figures have been regrouped, reclassified and rearranged wherever necessary to conform to the current year's classification.
- 41 Figures have been rounded off to the nearest rupee.

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. 048539




Place : Mumbai
Date : 08th May, 2021

For and on behalf of the Board of Directors


Ganesh Ramanand Rao
Director
DIN:02302989

Place : Mumbai
Date : 07th May, 2021


Meenakshi Ganesh Rao
Director
DIN:06748708



Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2021

1. Significant Accounting Policies

i. Corporate Information:

Indian Association for Savings and Credit (IASC) is a Company registered under section 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, 2021 were authorized and approved for issue by the Board of Directors on 8th May, 2021.

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:



Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2021

- 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.



Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2021

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

The 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.

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

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



Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2021

the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Management.

Depreciation on 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 equipment	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 PPE 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.



Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2021

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.

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.

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) or fair value through profit and loss (FVTPL).

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.



Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2021

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



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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.

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



Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2021

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



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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.



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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



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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:

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases". Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases.

As a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of the contract. Ind AS 116 defines a lease as a contract, or a part of a contract, that conveys the right of use an asset (the underlying asset) for a period of time in exchange of consideration. To assess whether as contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expenses on a straight line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the underlying assets.

As a lessor

Lease for which the Company is a lessor is classified as finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on straight line basis over the term of the relevant lease.

xvi. Employee benefits

1. Short Term and other long term employee benefits:



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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



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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.



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xxi. Taxes on Income:

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 convincing evidence that the Company will pay normal income tax. The carrying amount of MAT is



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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.



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c) Useful lives of depreciable assets:

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2020 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.

