

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, 2020.

1. Financial Results:

(In Rs. Lakh)		
Particulars	2019-2020	2018-2019
Income from operations	336.44	142.20
Other Income	41.31	71.79
Total Income	377.75	213.99
Total Expenditure	299.72	271.94
Profit (Loss) before tax	78.03	(57.95)
Provision for taxation and Deferred Taxes	34.39	Nil
Profit /(Loss) for the year	43.64	(57.95)

During the financial year under review your company has registered a total income of Rs. 377.75 lakh when compared to Rs. 213.99 lakh in the previous year. The profit for the period is Rs. 43.64 lakh when compared to loss of Rs. 57.95 lakh in the previous year.

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

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

(b) Change in Nature of Business

The Company had discontinued its operations during the financial year 2018 -19 owing to non-conducive environment. The Company did not carry on any business operations during the financial year ended 31st March, 2020.

3. Amounts Transferred to Reserves

The Company has made a Profit of Rs. 43.64 lakh for the financial year ended 31st March, 2020 and the amount has been transferred to the general reserve of the Company.

4. Changes in Share Capital

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

5. Disclosure regarding issue of Employee Stock Options

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

6. Web-link Annual Return

As per Section 134 (3) (a) of the Companies Act, 2013, annual return referred to in Section 92(3) of the act has been placed at the web address http://www.iasc.in/?page_id=36.

7. Number of Board Meetings

During the financial year ended 31st March 2020, 6 (Six) Board Meetings were held on 25th April, 2019, 27th July, 2019, 5th November, 2019, 27th Dec, 2019, 19th March, 2020 and 28th March, 2020.

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

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

8. Committees of the Board:

Currently, the Board has constituted 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)

During the Financial Year the CSR Committee Meeting was held on 25th April, 2019. The particulars of attendance are as follows:

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

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

During the financial year under review, the Company has provided inter – corporate loans as given below under the provisions of Section 186 of the Companies Act, 2013 and the Rules framed thereunder.

S. No	Name	Nature	Date of Loan / Guarantee	Amount (Rs.)	Date of Board Resolution
1	Ambition Services Private Limited	Inter Corporate Loans -	31/07/2019	2,500,000	06/04/2018 and 10/05/2018
2	Ambition Services Private Limited	Inter Corporate Loans -	08/08/2019	4,000,000	10/05/2018
3	Ambition Services Private Limited	Inter Corporate Loans -	31/08/2019	1000000	10/05/2018
4	Ambition Services Private Limited	Inter Corporate Loans -	17/02/2020	3,000,000	10/05/2018
5	Conatus Finserve Private Limited	Inter Corporate Loans -	02/01/2020	10000000	27/12/2019
6	Conatus Finserve Private Limited	Corporate Investments in shares through Rights issue	20/03/2020	1,00,00,000	19/03/2020
7	Conatus Finserve Private Limited	Corporate Investments in shares	26/03/2020	250	19/03/2020

10. Particulars of Contracts or Arrangements with Related parties

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

11. Material Changes Affecting the Financial Position of the Company

There have been no material changes and commitments during the period commencing from 1st April 2020, till the date of this report, which have an adverse bearing on the financial position of the Company.

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

(i) Conservation of Energy & Technological Absorption

Since your Company does not 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.

(ii) Foreign Exchange Earnings/Outgo

Your Company does not have any foreign currency earnings or expenditure during the financial year ended 31st March, 2020.

i) Details of Directors and Key Managerial Personnel

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

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

Mr. V.K. Mohan (DIN:06987472), director retiring by rotation was re-appointed as director at the Annual General Meeting held on 25th July, 2019 during the year under review.

Mrs. Meenakshi Rao (DIN: 06748708) is retiring by rotation at the ensuing annual general meeting and being eligible has offered herself for re-appointment.

ii) Details of Significant & Material Orders passed by the Regulators or court or tribunal

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

iii) **Internal Audit and Controls**

Till the discontinuation of its business by the Company during the financial year 2018-19, the scope of Internal Audit included, operational and financial aspects such as proper documentation, credit appraisal, detection of frauds, surprise field inspection and transaction verification. 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.

iv) **Deposits**

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

v) **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 pursuant to Section 139 of the Companies Act, 2013. .

The report of the Auditors on the Financial Statements is attached herewith and do not contain any reservation, qualification or adverse 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 reported by the Auditor for the financial year under review pursuant to Section 143 of the Companies Act, 2013.

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

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

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

vii) CSR Initiatives:

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

viii) 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.

25. Directors' Responsibility Statement

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

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

Acknowledgement

Your Directors wish to thank the 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

Sd/-
Ganesh Rao
Director
DIN: 02302989

Sd/-
Meenakshi Rao
Director
DIN: 06748708

Place: Mumbai
Date: 25/05/2020

ANNEXURE - A

ANNUAL REPORT ON CSR ACTIVITIES

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

Indian Association for Savings and Credit (IASC) is a company licensed under the Section 25 of the erstwhile Companies Act, 1956 (Not-for-Profit) formed in 1998.

Your company has been undertaking the CSR activities as listed in Schedule VII and Section 135 of the Companies Act, 2013 and the Rules framed thereunder in accordance with the CSR policy.

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

2. Composition of the CSR Committee

The CSR Committee consists of the following members:

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

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

Average net profit: Rs 251.09 lakh

4. Prescribed CSR expenditure (2% of the average net profit of the last three financial years)

The Company during the financial year 2019-20 is required to spend Rs. 5.02 lakh towards CSR.

5. Details of CSR spent during the financial year:

- a) Total amount spent for the financial year; Rs. 14.53 lakh.
- b) Amount unspent, if any: NA

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

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

CSR project or activity identified	Sector in which the project is covered	Projects or Programmes (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.Training	Employment enhancing vocational skills	<p>1)Tamil Nadu we have 38 District covered: Trichy,Thanjavur, Ariyalur, Perambalur,Cuddalore,Thiruvavur, Mayaladuthurai, Puducherry, Nagaipattinam,Madurai,Theni,Pudukottai,Sivagangai, Ramanadhapuram, Dindigul,Thiruppur,Erode, Namakkal, Salem, Dharmapuri,Krishnagiri,Villupuram, Kallakurichy, Thiruvannamalai, Thirupathur, Kanchipuram, Chengalpattu, Ranipet, Vellore,Chennai, Thiruvallore, Tuticorin, Virudunagar, Thirunelveli, Nagarcoil,Coimbatore,Niligirs, - Palakkad and</p> <p>2) Maharashtra we are operating 4 -District Pune, Nasik, Nagar, Jalgaon, Skill Training program Following Tailoring, Cell phone Service, Beautician, Toys making, Hand Embroidery, Jewel making, Masala manufacturing, Mushroom cultivation Soap oil making, Cloth bag stitching, Napkin Manufacturing, Agri Training and Poultry Farm also</p>	3,24,806	3,24,806	3,24,806	Direct
2. Nukkad	Promotion of	Tamil Nadu following 7 District Covered	11,28,486	11,28	11,28,4	Direct

Pathshala	education	Virudhunagar, Madurai, Theni, Dindugal, Thiruppur, Namakkal and Erode Totally 19 Nukkad Pathshala centers are operational across Tamil Nadu, with strength of 21 teachers and 588 students		,486	86	
		Total	14,53,292	14,53,292	14,53,292	

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

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

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

For and on behalf of the Board of Directors

Sd/-
Ganesh Rao
Director
DIN: 02302989

Sd/-
Meenakshi Rao
Director
DIN: 06748708

Place: Mumbai
Date: 25/05/2020

SCHEDULE – I

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

Skill Development

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

Some of our valued Associate Partners are:

- State Bank of India Rural Self-employment Institute
- Indian Bank Self-employment Training Institute.
- Canara Bank Self-employment Training Institute
- Syndicate Bank Self-employment Training Institute.
- Indian Overseas Bank Self-employment Training Institute
- Carborundum Universal Ltd.
- Ramakrishna Mission Vidhyalaya, Coimbatore
- Jan Shikashan Sansthan
- PSG Arts and Science College.
- GRG Community Polytechnic
- GRD Women’s Technical Park
- TUV Rhineland
- UTL-Technology
- Dalmiya Skill Training.
- Murugappa Institute
- Alagappa university Karraikudi
-

During the Financial year 2019-2020 more than 2635 members and their families were enrolled in these programs conducted by IASC. Out of the 2635 members, 250 were placed for employment at reputed organizations while a substantial number chose to start their own business enterprise.

FY YEAR	2019 – 2020
Candidates	2635- Candidates
Impact	250
Impact %	10.5%

Indian Association for Savings and Credit (Registered under Section 8 of the Companies Act, 2013) Balance Sheet as at 31st March, 2020			
(₹ in lakhs)			
Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	23.52	31.26
(b) Other Intangible Assets	3	-	-
(c) Financial Assets			
- Investments	4	96.64	-
- Loans	5	1,680.00	1,680.00
(d) Deferred Tax Assets (net)	22	40.81	-
(e) Non Current Tax Assets (net)		54.98	89.03
(f) Other Non-current Assets	6	-	24.66
Total Non-current Assets		1,895.95	1,824.95
Current assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	7	26.05	32.53
(ii) Loans	5	105.00	135.27
(iii) Others	8	21.98	42.58
(b) Other Current Assets	9	17.77	16.63
Total Current Assets		170.80	227.01
Total Assets		2,066.75	2,051.96
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	10	60.00	60.00
(b) Other Equity	11	1,942.92	1,899.02
Total equity		2,002.92	1,959.02
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	19.02	53.03
Total non-current liabilities		19.02	53.03
Current liabilities			
(a) Financial Liabilities			
- Other Financial Liabilities	13	36.57	30.96
(b) Other Current Liabilities	14	0.77	8.94
(c) Current Tax Liabilities (Net)	15	7.46	-
Total Current Liabilities		44.80	39.90
Total Liabilities		63.82	92.93
Total Equity and Liabilities		2,066.75	2,051.96
The accompanying notes 1 to 40 are an integral part of the financial statements.			
In terms of our report of date attached			
For Haribhakti & Co. LLP		For and on behalf of the Board of Directors	
Chartered Accountants			
ICAI Firm Registration No.103523W/W100048			
Snehal Shah		Ganesh Ramanand Rao	Meenakshi Ganesh Rao
Partner		Director	Director
Membership No. 048539		DIN: 02302989	DIN: 06748708
Place : Mumbai		Place : Mumbai	
Date : 25th May, 2020		Date : 25th May, 2020	

Indian Association for Savings and Credit

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

Statement of Profit and Loss Account at 31st March, 2020

(₹ in lakhs)

Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
I. Revenue from operations	16	336.44	142.20
II. Other income	17	41.31	71.79
III. Total Income (I + II)		377.75	213.99
IV. EXPENSES:			
Employee benefits expense	18	19.44	32.81
Finance costs	19	6.12	8.33
Depreciation and amortization expense	20	7.74	32.87
Other expenses	21	266.42	197.93
Total expenses (IV)		299.72	271.94
V Profit/ (loss) before tax (III - IV)		78.03	(57.95)
VI Tax Expense	22		
(1) Current tax		41.00	-
(2) Deferred tax		(40.90)	-
(3) Taxation for earlier years		34.29	-
VII Profit / (loss) for the year (V - VI)		43.64	(57.95)
VIII Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of post employment benefit obligations		0.35	3.95
Income tax relating to these items that will not be reclassified to profit or loss		(0.09)	-
Total other comprehensive income		0.26	3.95
IX Total comprehensive income (VII+VIII)		43.90	(54.00)
X Earnings per equity share (Face value ₹10 each):	23		
- Basic & Diluted		7.27	(9.66)

The accompanying notes 1 to 40 are an integral part of the financial statements.

In terms of our report of date attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

For and on behalf of the Board of Directors

Snehal Shah

Partner

Membership No. 048539

Place : Mumbai

Date : 25th May, 2020

Ganesh Ramanand Rao

Director

DIN: 02302989

Place : Mumbai

Date : 25th May, 2020

Meenakshi Ganesh Rao

Director

DIN: 06748708

Indian Association for Savings and Credit

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

Statement of changes in equity for the year ended 31st March, 2020

A. Equity Share Capital		(₹ in lakhs)	
Particulars	Amount		
Balance as at 1st April, 2018	60.00		
Shares issued during the year	-		
Balance as at 31st March, 2019	60.00		
Shares issued during the year	-		
Balance as at 31st March, 2020	60.00		

B. Other Equity		(₹ in lakhs)	
Particulars	Retained Earnings	Total	
Balance as at 1st April, 2018	1,953.02	1,953.02	
Profit for the year	(57.95)	(57.95)	
Transfer to other reserves (if any)	-	-	
Other Comprehensive income (net of tax)	3.95	3.95	
Balance as at 31st March, 2019	1,899.02	1,899.02	
Profit for the year	43.64	43.64	
Transfer to other reserves (if any)	-	-	
Other Comprehensive income (net of tax)	0.26	0.26	
Balance as at 31st March, 2020	1,942.92	1,942.92	

The accompanying notes 1 to 40 are an integral part of the financial statements.
In terms of our report of date attached

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

For and on behalf of the Board of Directors

Snehal Shah Partner Membership No. 048539	Ganesh Ramanand Rao Director DIN:02302989	Meenakshi Ganesh Rao Director DIN:06748708
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Place : Mumbai
Date : 25th May, 2020

Place : Mumbai
Date : 25th May, 2020

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, 2020

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
A. Cash flows from operating activities				
Profit/(Loss) before tax		78.03		(57.95)
Adjustments for:				
Depreciation and amortization expenses	7.74		32.87	
Loss on sale of PPE	-		9.94	
Loss on fair value changes of equity instruments	3.36		-	
Expected Credit Loss on Service Tax Reimbursement	153.34		-	
Interest expense	6.12	170.56	8.33	51.14
Operating cash flows before working capital changes		248.59		(6.81)
- (Increase)/decrease in Non-current and current financial assets	(202.47)		209.57	
- (Increase)/decrease in Other non-current and current assets	23.53		8.34	
- (Decrease)/increase in non-current and current financial liabilities	2.44		(253.88)	
- (Decrease)/increase in other non-current and current liabilities	(8.16)		(1.08)	
- (Decrease)/increase in other non-current and current provisions	-	(184.66)	3.95	(33.09)
Cash used in operations		63.93		(39.89)
Income taxes Paid (Net of Refunds)		(33.79)		(5.19)
Net cash used in operating activities - (A)		30.14		(45.08)
B. Cash flows from investing activities				
Purchase of PPE and Intangible assets		-		(0.78)
Proceeds from sale of PPE and Intangible assets		-		71.61
Net cash generated from investing activities - (B)		-		70.83
C. Cash flow from Financing activities				
Repayment of non-current borrowings (Refer Note 37)		(30.78)		(30.11)
Interest paid		(5.84)		(8.33)
Net cash used in financing activities - (C)		(36.62)		(38.44)
Net decrease in cash and cash equivalents (A+B+C)		(6.48)		(12.69)
Cash and cash equivalents at the beginning of the year		32.53		45.22
Cash and cash equivalents at the end of the year		26.05		32.53
Components of Cash & Cash Equivalents as at the year end				
Cash		-		-
Balances with Bank in current accounts		26.05		32.53
		26.05		32.53

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 40 are an integral part of the financial statements.

In terms of our report of date attached

For Haribhakti & Co. LLP

For and on behalf of the Board of Directors

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

Snehal Shah

Ganesh Ramanand Rao

Meenakshi Ganesh Rao

Partner

Director

Director

Membership No. 48539

DIN:02302989

DIN:06748708

Place: Mumbai

Place: Mumbai

Date : 25th May, 2020

Date : 25th May, 2020

Indian Association for Savings and Credit

Notes to financial statements for the year ended 31st March, 2020

2. Property, Plant and Equipment (PPE)							(₹ in lakhs)
Particulars	Land	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Leasehold Improvements	Total
Gross Block							
As at 1st April, 2018	6.74	20.86	45.96	36.76	34.82	64.59	209.73
Additions during the year	-	-	-	-	0.78	-	0.78
Disposals during the year	-	20.86	45.96	-	35.60	64.59	167.01
As at 31st March, 2019	6.74	-	-	36.76	-	-	43.50
Additions during the year	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-
As at 31st March, 2020	6.74	-	-	36.76	-	-	43.50
Accumulated Depreciation							
As at 1st April, 2018	-	3.48	15.57	8.94	19.47	20.21	67.65
Depreciation charged during the year	-	1.54	8.44	3.30	11.07	6.39	30.74
Disposals during the year	-	5.02	24.01	-	30.54	26.60	86.16
As at 31st March, 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
Net Carrying amount							
As at 31st March, 2019	6.74	-	-	24.52	-	-	31.26
As at 31st March, 2020	6.74	-	-	16.78	-	-	23.52
For assets secured against borrowings, see Note 12.							

Indian Association for Savings and Credit

Notes to financial statements for the year ended 31st March, 2020

3. Other Intangible assets		
(₹ in lakhs)		
Particulars	Computer Software	Total
Gross Block		
As at 1st April, 2018	6.81	6.81
Additions during the year	-	-
Disposals during the year	6.81	6.81
As at 31st March, 2019	-	-
Additions during the year	-	-
Disposals during the year	-	-
As at 31st March, 2020	-	-
Accumulated amortization		
As at 1st April, 2018	3.97	3.97
Amortization during the year	2.13	2.13
Disposals during the year	6.10	6.10
As at 31st March, 2019	-	-
Amortization during the year	-	-
Disposals during the year	-	-
As at 31st March, 2020	-	-
Net Carrying amount		
As at 31st March, 2019	-	-
As at 31st March, 2020	-	-

Indian Association for Savings and Credit

Notes to financial statements for the year ended 31st March, 2020

4. Investment		
Particulars	As at 31st March, 2020	As at 31st March, 2019
	₹ 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, 2019: Nil Equity shares) Extent of holding - 2.70% (31st March, 2019: 0%)	96.64	-
Total	96.64	-
Aggregate amount of Unquoted Investments	96.64	-
Aggregate provision for diminution in value of investments	-	-
5. Loans		
Particulars	As at 31st March, 2020	As at 31st March, 2019
	₹ 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)	1,680.00	1,680.00
Total	1,680.00	1,680.00
Current Secured, considered good Inter Corporate loan (Refer Note 31)	105.00	-
Unsecured, considered good Inter Corporate loan (Refer Note 31)	-	135.00
Loans to employees	-	0.27
Total	105.00	135.27
Inter Corporate loan given to a Company in which Director is a member ₹ 105 lakhs (PY ₹ 95 lakhs).		
6. Other Non-current Assets		
Particulars	As at 31st March, 2020	As at 31st March, 2019
	₹ in lakhs	₹ in lakhs
Prepaid Expenses	-	0.76
Deposit towards disputed service tax (Refer Note 27)	-	23.90
Total	-	24.66

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Notes to financial statements for the year ended 31st March, 2020

7. Cash and Cash Equivalents		
Particulars	As at 31st March, 2020	As at 31st March, 2019
	₹ in lakhs	₹ in lakhs
Balance with Banks		
- In Current Account	26.05	32.53
Cash on Hand	-	-
Total	26.05	32.53
8. Other Financial Assets - Current		
Particulars	As at 31st March, 2020	As at 31st March, 2019
	₹ in lakhs	₹ in lakhs
Unsecured, considered good unless otherwise specified		
Interest Accrued on loans (Refer Note 36)	10.80	13.72
Rental deposits	4.50	28.85
Balance with Government Authorities	6.68	-
Reimbursement of expenses	153.34	-
Less: Provision created for Expected Credit Loss	(153.34)	-
Total	21.98	42.58
9. Other Current Assets		
Particulars	As at 31st March, 2020	As at 31st March, 2019
	₹ in lakhs	₹ in lakhs
Unsecured, considered good		
Prepaid expenses	0.23	-
Gratuity (Refer Note 24)	17.54	16.53
Advance for expenses	-	0.10
Total	17.77	16.63

Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2020

10. Equity Share Capital				
Particulars	As at 31st March, 2020		As at 31st March, 2019	
	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, 2020		As at 31st March, 2019	
	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, 2020		As at 31st March, 2019	
	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, 2020		As at 31st March, 2019	
	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%

11. Other Equity

Particulars	As at 31st March, 2020	As at 31st March, 2019
	₹ in lakhs	₹ in lakhs
Retained earnings	1,899.02	1,953.02
Add: Profit / (Loss) for the year	43.64	(57.95)
Add: Transfer from Other Comprehensive Income	0.26	3.95
	1,942.92	1,899.02
Total	1,942.92	1,899.02

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, 2020

12. Financial Liabilities: Borrowings				
Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Non Current	Current	Non Current	Current
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Secured Loans				
Vehicle Loans (Refer Note (i) below)	0.95	3.72	4.67	5.19
Unsecured Loans				
Loans from Financial Institutions (Refer Note (ii) below)	18.07	26.83	48.36	22.13
Total	19.02	30.55	53.03	27.32

The Company has not defaulted in the payment of interest and installments of the loans as at 31st March 2020.

(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 31-03-2020 of ₹ 4.67 lakh is repayable in 15 monthly instalments of ₹ 0.33 lakh for first 14 months and ₹ 0.29 in 15th month. 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 31-03-2020 of ₹ 18.58 lakhs and ₹ 26.32 lakhs are repayable in 18 and 26 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.

13. Other Financial Liabilities: Current

Particulars	As at	As at
	31st March, 2020	31st March, 2019
	₹ in lakhs	₹ in lakhs
Current maturities of long term debt (Refer Note 12)	30.55	27.32
Interest accrued but not due on borrowings	0.04	0.10
Other payables and accruals - dues to Micro and small Enterprises (Refer Note 28)	-	2.83
Other payables and accruals - dues other than Micro and small Enterprises *	5.98	0.71
Total	36.57	30.96

* Other payables and accruals represents accrued expenses.

14. Other Current Liabilities

Particulars	As at	As at
	31st March, 2020	31st March, 2019
	₹ in lakhs	₹ in lakhs
Statutory dues payable	0.77	8.94
Total	0.77	8.94

15. Current tax liabilities (net)

Particulars	As at	As at
	31st March, 2020	31st March, 2019
	₹ in lakhs	₹ in lakhs
Provision for taxation (net of Advance tax of ₹ 33.89 lakhs)	7.46	-
Total	7.46	-

16. Revenue from operations		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ in lakhs	₹ in lakhs
<u>Sale of services</u>		
Commission Income	-	
<u>Other operating revenues</u>		
Interest on Margin Deposits	-	102.01
Interest on Inter Corporate loan (Refer Note 36)	336.44	40.19
Total	336.44	142.20
17. Other income		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ in lakhs	₹ in lakhs
Rent reimbursement received (Refer Note 36)	28.17	46.31
Software usage reimbursement (Refer Note 36)	12.51	15.09
Interest income on financial assets	-	9.19
Excess provision of Gratuity Written-back (Refer Note 24)	0.62	0.58
Miscellaneous Income	0.01	0.62
Total	41.31	71.79
18. Employee benefits expense		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ in lakhs	₹ in lakhs
Salaries & Wages	17.38	28.58
Contribution to Provident Fund and Other Funds	1.10	1.21
Staff Welfare Expenses	0.96	3.01
Total	19.44	32.81
19. Finance cost		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ in lakhs	₹ in lakhs
Interest Expense	5.77	8.33
Interest On Income Tax	0.35	-
Total	6.12	8.33
20. Depreciation and amortization expense		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ in lakhs	₹ in lakhs
Depreciation on Property, Plant and Equipment (Refer Note 2)	7.74	30.74
Amortisation on Intangible Assets (Refer Note 3)	-	2.13
Total	7.74	32.87

Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2020

21. Other expenses		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ in lakhs	₹ in lakhs
Travelling & Conveyance	2.59	9.28
Postage & Telephone	0.39	0.34
Insurance	1.23	7.40
Rent (Refer Note 29)	40.52	78.02
Electricity Charges	1.29	4.67
Printing and Stationery	0.28	2.52
Repair & Maintenance - Vehicle	2.49	2.20
Office Upkeep and Maintenance	6.05	17.02
Software Usage Charges	24.23	26.09
Professional & Legal Expenses	10.87	7.24
CSR Expenses (Refer Note 30)	14.53	27.43
Auditors Remuneration (Refer Note 21.1)	4.64	4.50
Rates & taxes	0.07	0.29
Loss on sale of asset	-	9.94
Bank Charges	0.04	0.93
Loss on fair value changes of equity instruments	3.36	-
Expected Credit Loss on Service Tax Reimbursement	153.34	-
Miscellaneous Expenses	0.50	0.07
Total	266.42	197.93
21.1 Remuneration to auditors (excluding GST)		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ in lakhs	₹ in lakhs
a. for Statutory Audit	4.50	4.50
b. for Taxation Matters	-	-
c. for Reimbursement of expenses	0.14	-
	4.64	4.50

Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2020

22. Tax expense		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ in lakhs	₹ in lakhs
A. Current Tax		
Current tax on profit for the year	41.00	-
Charge/ (Credit) in respect of current tax for earlier years	34.29	-
TOTAL (A)	75.29	-
B. Deferred Tax		
Origination and reversal of temporary differences	(40.90)	-
Charge in respect of deferred tax for earlier years	-	-
TOTAL (B)	(40.90)	-
Tax expense recognized in Statement of Profit and Loss		
TOTAL (A)+(B)	34.39	-
Tax expense recognized in Other Comprehensive Income (c)	0.09	-
Total Tax Expense /(benefit)	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, 2020	For the year ended 31st March, 2019
	₹ in lakhs	₹ in lakhs
Profit/(loss) before tax	78.03	(57.95)
Enacted tax rate	17.47%	25.75%
Expected income tax expense/(benefit) at statutory tax rate	13.63	(14.92)
<u>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:</u>		
Expenses not deductible in determining taxable profits	29.98	11.87
Income exempt from taxation	-	(2.37)
Unrecognized deferred tax assets #	-	(13.61)
Charge in respect of current tax for earlier years	34.29	-
Others	(43.43)	19.03
Tax expense for the year	34.48	0.00
Effective income tax rate	44%	0%
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, 2020	For the year ended 31st March, 2019
	₹ in lakhs	₹ in lakhs
Deferred tax asset / (liability) on PPE & intangible assets	0.07	(1.15)
Deferred tax asset on ECL created	40.74	-
Deferred tax asset on business loss*	-	1.15
Total	40.81	-
*Upto FY 2018-19, Deferred tax asset has been recognised only to the extent of Deferred tax liability.		

Indian Association for Savings and Credit
Notes to financial statements for the year ended 31st March, 2020

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ in lakhs	₹ in lakhs
(Charge) / Credit to Statement of Profit and Loss	40.90	-
(Charge) / Credit to Other Comprehensive Income	(0.09)	-
Total (Charge) / Credit during the year	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, 2020	For the year ended 31st March, 2019
	₹ in lakhs	₹ in lakhs
Tax losses / Unabsorbed Depreciation	35.38	285.21
Short term capital loss	59.59	61.15
23. Earnings per share		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ in lakhs	₹ in lakhs
Profit/(Loss) after tax	43.64	(57.95)
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 ₹)	7.27	(9.66)
Diluted Earnings Per Share (in ₹)	7.27	(9.66)

24 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, 2020	For the year ended 31st March, 2019
Employer's Contribution to PF	1.09	1.19
Employer's Contribution to ESIC	-	0.02
Employer's Contribution to labour welfare	0.00	-
Total	1.09	1.21

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, 2020	For the year ended 31st March, 2019
Discount Rate *	4.87%	6.68%
Expected Return on Assets	4.87%	6.68%
Salary Escalation #	0% for 3 years and 4% thereafter	6.00%
Attrition Rate	66.18%	61.53%
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

* 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, 2020	For the year ended 31st March, 2019
Current Service Cost	0.18	0.22
Net Interest on Defined Benefit Obligations	(0.80)	(0.80)
Expenses recognized in the statement of profit and loss	(0.62)	(0.58)

Recognized in Other Comprehensive Income (OCI) for the year

(₹ in lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Return on plan assets (excluding amounts included in net interest expense)	(0.43)	(0.07)
Actuarial (gains)/losses arising from changes in financial assumptions	0.01	(0.09)
Actuarial (gains)/losses arising from experience adjustments	0.07	(2.44)
Actuarial (gains)/losses due to Demographic Assumption changes in DBO	0.00	(1.35)
Amount recognized in OCI for the current period	(0.35)	(3.95)

Change in present value of defined benefit obligation

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Present value of obligations as at the beginning of the year	0.86	6.17
Current Service Cost	0.19	0.22
Interest on Defined Benefit Obligations	0.04	0.35
Actuarial (gain)/loss on plan obligation	0.08	(3.88)
Benefits paid	-	(2.00)
Present value of obligations as at the end of the year	1.17	0.86

Change in fair value of plan assets

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Fair value of plan assets as at the beginning of the period	17.39	18.13
Return on plan assets	0.85	1.14
Contributions	0.04	0.05
Benefits paid	-	(2.00)
Actuarial gain/(loss) on plan assets	0.43	0.07
Fair value of plan assets as at the end of the period	18.71	17.39

Net (Asset)/ Liability recognized in Balance Sheet

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Present value of obligations	1.17	0.86
Fair Value of Plan Assets	18.71	17.39
Amount recognized	(17.54)	(16.53)

Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Within the next 12 months	0.73	0.41
Between 2 and 5 years	0.42	0.25
Between 6 and 10 years	0.01	0.01
Beyond 10 years	0.01	0.19

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, 2020		As at 31st March, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate by 1%	1.15	1.18	0.84	0.87
Salary Escalation rate by 1%	1.17	1.16	0.86	0.85
Attrition rate by 1%	1.17	1.17	0.85	0.86
Mortality rate by 10%	1.17	-	0.86	-

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25 Acceptance of Public Deposits:

The Board of Directors have passed a resolution in its meeting dated 25th April, 2019 stating that they will not accept any public deposits for the financial year ending 31st March 2020.

26 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.

27 Contingent Liability:

Particulars	(₹ in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Disputed Income tax demand payable not provided for	-	142.95
Disputed service tax liability*	-	318.58

* Excluding Interest and Penalty

28 The information in relation to dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the auditors.

Details of dues to Micro and Small Enterprises as per MSMED Act, 2006	(₹ in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
a) Principal amount due to suppliers under MSMED Act, 2006	-	2.83
b) Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
d) Interest paid to suppliers under MSMED Act (Section 16)	-	-
e) Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	-	-

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.

The Future minimum Lease payments are as follows:

Particulars	(₹ in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Within one year	-	30.87
After one year but not more than five years	-	-
More than five years	-	-

During the year, ₹ 40.52 lakhs (P.Y. ₹ 78.02 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, 2020	For the year ended 31st March, 2019
		₹ in lakhs	₹ in lakhs
a. Gross amount required to be spent by the company during the year		5.21	14.44
b. Amount spent during the year		14.53	27.43
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 ₹ 27.43 lakhs)	14.53	-	14.53

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, 2020	As at 31st March, 2019	Purpose
Loans given:			
New Opportunity Consultancy Private Limited	1,680.00	1,680.00	Working capital
Ambition Services Private Limited	105.00	95.00	Working capital
Conatus Management Services Private Limited	-	40.00	Working capital
Investments made:			
Conatus Finserve Private Limited - Gross	96.64	-	
Total	1,881.64	1,815.00	

Indian Association for Savings and Credit

Notes to financial statements for the year ended 31st March, 2020

32 Fair value measurements

i. Financial instruments by category

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

(₹ in lakhs)

Particulars	Note No.	Carrying amount				Fair value			
		FVTOCI	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total Fair value
Financial Assets									
Investments	4	-	96.64	-	96.64	-	-	96.64	96.64
Cash and Cash equivalents	7	-	-	26.05	26.05	-	-	-	-
Loans	5	-	-	1,785.00	1,785.00	-	-	-	-
Other financial assets	8	-	-	21.98	21.98	-	-	-	-
Financial Liabilities									
Borrowings	12	-	-	49.57	49.57	-	-	-	-
Other financial liabilities	13	-	-	6.02	6.02	-	-	-	-

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

(₹ in lakhs)

Particulars	Note No.	Carrying amount				Fair value			
		FVTOCI	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total Fair value
Financial Assets									
Cash and Cash equivalents	7	-	-	32.53	32.53	-	-	-	-
Loans	5	-	-	1,815.27	1,815.27	-	-	-	-
Other financial assets	8	-	-	42.58	42.58	-	-	-	-
Financial Liabilities									
Borrowings	12	-	-	80.35	80.35	-	-	-	-
Other financial liabilities	13	-	-	3.64	3.64	-	-	-	-

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

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amounts of 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, 2020 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: (₹ in lakhs)

Credit rating	Particulars	As at 31st March, 2020	As at 31st March, 2019
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets (Refundable deposits)	1,929.67	1,890.38
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, 2020 are as follows: (₹ in lakhs)

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

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

Particulars	Contractual cash Flows			Total	Carrying Amount
	Less than 1 year	1-5 years	More than 5 years		
Borrowings	27.32	53.03	-	80.35	80.35
Other Financial liabilities	3.64	-	-	3.64	3.64
Total	30.96	53.03	-	83.99	83.99

Market Risk

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

Interest rate Risks

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

Interest rate risk exposure

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
Fixed Rate Borrowings	49.57	80.35

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, 2020	As at 31st March, 2019
Non-Current Borrowings (Refer Note 12)	19.02	53.03
Current Maturities of Long term Debt (Refer Note 13)	30.55	27.32
Total Borrowings (a)	49.57	80.35
Cash and Cash equivalents (Refer Note 7)	26.05	32.53
Total Cash (b)	26.05	32.53
Net Debt (c) = (a)-(b)	23.53	47.82
Share Capital (Refer Note 10)	60.00	60.00
Other Equity (Refer Note 11)	1,942.92	1,899.02
Total Equity (d)	2,002.92	1,959.02
Total Capital (e) = (c)+(d)	2,026.45	2,006.84
Gearing Ratio = (c)/(e)	0.01	0.02

35 Segment Information:

For the year ended 31st March, 2020, 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, 2020 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	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Transactions during the period						
Professional fees paid	-	-	-	-	1.80	2.56
Loan Given during the year	-	1,680.00	-	-	100.00	-
Loan repaid during the year	-	-	-	-	100.00	-
Investment in shares	-	-	-	-	100.00	-
Sale of PPE and Intangible Assets	-	66.07	-	-	-	-
Interest received on loan	313.60	11.61	-	-	4.79	-
Rent Reimbursement received	28.17	46.31	-	-	-	-
Software usage Reimbursement received	12.51	15.09	-	-	-	-
Outstanding balances at the year end:						
Interest Receivable	9.25	11.61	-	-	-	-
Loan Receivable	1,680.00	1,680.00	-	-	-	-
Investment	-	-	-	-	96.64	-

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

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	-	(30.78)

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

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, 2020

- 38 Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.
- 39 Previous years figures have been regrouped, reclassified and rearranged wherever necessary to conform to the current year's classification.
- 40 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

For and on behalf of the Board of Directors

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : 25th May, 2020

Ganesh Ramanand Rao
Director
DIN:02302989

Place : Mumbai
Date : 25th May, 2020

Meenakshi Ganesh Rao
Director
DIN:06748708