



Rajeev Bhatia & Associates

Chartered Accountants

1410, Ground Floor,
Dr. Mukherjee Nagar, Delhi-110009
Tel.: 011-45769531 (M) : 09810057854
E-mail : rajivbhatia251@gmail.com

INDEPENDENT AUDITORS' REPORT

To the Members of Taraashna Services Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Taraashna Services Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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



the accounting estimates made by Company's Board of Directors as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2018; its Loss and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the Directors as on 31st March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - a) There were no pending litigations which would impact the financial position of the Company;



- b) The Company did not have any long-term contracts including derivative contracts for which it was required to make a provision towards material foreseeable losses under any law or accounting standards.
- c) There were no amounts required to be transferred to the Investor Education and Protection Fund by the company.

Place: Delhi

Dated: 28 May 2018

For Rajeev Bhatia & Associates
Chartered Accountants
Firm's Registration No.: 021776N



Rajeev Bhatia
Proprietor
M. No. 089018

Annexure A to the Independent Auditors' Report

(Referred to in Paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date of **Taraashna Services Limited** on the financial statements for the year ended 31 March 2018)

Fixed Assets

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b) The Fixed Asset of the Company was physically verified as at the year-end by the management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us no material discrepancy was noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable property during the period under audit. Thus, paragraph 3(i)(c) of the Order is not applicable to the Company.

Inventories

- (ii) The Company is a service company. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

Loans granted by company

- (iii) The company has not granted loans to any party covered in the register maintained under Section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable to the Company.

Compliance of Section 185 and 186 of The Act

- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loan, guarantee or security and not made any investment during the period under audit. Thus, paragraph 3(iv) of the Order is not applicable to the Company.

Acceptance of Deposits

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year. Thus, paragraph 3(v) of the Order is not applicable to the Company.



Maintenance of Cost records

- (vi) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the services of the Company.

Payment of Applicable Taxes

- (vii) a) According to the information and explanations provided to us and the records of the company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including income-tax, service tax, goods and services tax, provident fund, employees' state insurance, professional taxes and other material statutory dues as applicable with the appropriate authorities in India.

According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, provident fund, employees' state insurance, professional taxes and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and the records of the company examined by us, during the period under audit, there are no dues of income tax or any other applicable statutory dues which have not been deposited on account of any dispute.

Dues to a Financial Institution or bank or debenture holder

- (viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks.

Initial Public Offer

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

Fraud by the Company or on the Company

- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.



Managerial Remuneration

- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the reporting period.

Nidhi Company

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

Related Party Transactions

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

Preferential Allotment or Private Placement

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made private placement of shares during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

Non – Cash Transactions

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

Registration with RBI

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Delhi
Dated: 28 May 2018

For Rajeev Bhatia & Associates
Chartered Accountants
Firm's Registration No.: 021776N



Rajeev Bhatia
Proprietor
M. No. 089018

Annexure B to the Independent Auditors' Report

(Referred to in Paragraph 2 (f) under the heading of "Report on other legal and regulatory requirements" of our report of even date of **Taraashna Services Limited** on the financial statements for the year ended 31 March 2018)

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

We have audited the internal financial controls over financial reporting of **Taraashna Services Limited** ("the Company") as of 31st March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Delhi

Dated: 28 May 2018

For Rajeev Bhatia & Associates
Chartered Accountants
Firm's Registration No.: 021776N



Rajeev Bhatia
Proprietor
M. No. 089018

TARAASHNA SERVICES LIMITED
(Formerly known as Taraashna Services Private Limited)

CIN - U74140DL2012PLC236314

504, 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, Delhi-110033

Email - accounts.ho@taraashna.in, Web - www.taraashna.in

BALANCE SHEET AS AT 31 MARCH 2018

PARTICULARS	Note No.	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	1244,03,130	908,27,320
(b) Reserves and Surplus	4	1154,90,566	965,11,096
Sub-Total Shareholders' Funds		2398,93,696	1873,38,416
(2) Non-Current Liabilities			
(a) Long Term Borrowings	5	456,01,760	320,89,662
(b) Long Term Provisions	6	97,62,044	96,05,151
Sub-Total Non-Current Liabilities		553,63,804	416,94,813
(3) Current Liabilities			
(a) Short Term Borrowings	7	8,86,736	236,58,268
(b) Trade Payables	8		
(i) Due to Micro and Small Enterprises	8.1	-	-
(ii) Other Payables	8.2	2606,72,506	1414,17,867
(c) Other Current Liabilities	9	900,58,438	526,59,434
(d) Short Term Provisions	10	12,98,134	23,94,759
Sub-Total Current Liabilities		3529,15,814	2201,30,328
TOTAL EQUITY & LIABILITIES		6481,73,314	4491,63,557
II. ASSETS			
(1) Non-Current Assets			
(a) Property Plant and Equipment			
(i) Tangible Assets	11	200,28,069	115,67,901
(ii) Intangible Assets	12	4,49,483	12,19,699
(b) Deferred Tax Assets (Net)	13	348,32,417	37,66,527
(c) Long Term Loans & Advances	14	14,22,630	19,15,314
(d) Other Non - Current Assets	15	1652,41,212	841,25,967
Sub-Total Non-Current Assets		2219,73,811	1025,95,408
(2) Current Assets			
(a) Trade Receivables	16	1158,45,711	598,79,294
(b) Cash & Bank Balances	17	2190,64,534	2182,86,080
(c) Short Term Loans and Advances	18	885,36,040	604,62,335
(d) Other Current Assets	19	27,53,218	79,40,440
Sub-Total Current Assets		4261,99,503	3465,68,149
TOTAL ASSETS		6481,73,314	4491,63,557

Note No. 1 to 36 form an integral part of the Financial Statements.

As per our report of even date attached

For Rajeev Bhatia & Associates

Chartered Accountants

Firm's Registration No.: 021776N

Rajeev Bhatia

Proprietor

M. No. 089018

Place: Delhi

Dated: 28 May 2018



For and on behalf of the Board of Directors

H P Singh

(Director)

(DIN - 00333754)

Sanjeev Vij

(Chief Executive Officer)

Prashant Sharma

(Company Secretary)

(M No. - A24373)

Rakesh Sachdeva

(Director)

(DIN - 00332588)

Abhay Thakkar

(Chief Financial Officer)

TARAASHNA SERVICES LIMITED
(Formerly known as Taraashna Services Private Limited)

CIN - U74140DL2012PLC236314

504, 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, Delhi-110033

Email - accounts.ho@taraashna.in, Web - www.taraashna.in

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2018

PARTICULARS	Note No.	Year Ended	Year Ended
		31.03.2018	31.03.2017
		Audited	Audited
		Rs.	Rs.
I. Income			
1. Revenue From Operations	20	5335,46,484	4006,31,451
2. Other Income	21	47,39,325	41,95,114
Total		5382,85,809	4048,26,565
II. Expenses			
1. Finance Cost	22	140,55,432	99,30,692
2. Employee Benefit Expenses	23	3027,72,186	2410,10,574
3. Other Expenses	24	3124,21,826	1280,76,857
4. Depreciation	11,12	68,27,237	67,73,316
Total		6360,76,681	3857,91,439
Profit Before Exceptional And Extraordinary Items And Tax		(977,90,872)	190,35,126
Prior Period/ Exceptional Items		-	-
Profit Before Extraordinary Items, Corporate Social Responsibility Expense And Tax		(977,90,872)	190,35,126
Corporate Social Responsibility Expense	26	-	23,50,000
Extraordinary Items		-	-
Profit Before Tax		(977,90,872)	166,85,126
Tax Expense:			
(1) Less : Current Tax		-	84,55,320
(2) Add/(Less) : Adjustment for earlier year Tax		3,88,497	2,02,680
(3) Add/(Less) : Deferred Tax		310,65,890	17,80,050
Profit After Tax For The Period From Continuing Operations		(663,36,485)	102,12,536
Earning per share (Par Value Rs. 10/- each)			
Basic		(5.97)	1.12
Diluted		(5.97)	1.12

Note No. 1 to 36 form an integral part of the Financial Statements.

As per our report of even date attached

For Rajeev Bhatia & Associates

Chartered Accountants

Firm's Registration No.: 021776N

Rajeev Bhatia

Proprietor

M. No. 089018

Place : Delhi

Dated: 28 May 2018



For and on behalf of the Board of Directors

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

Particulars	Year Ended 31.03.2018 Rs.	Year Ended 31.03.2017 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax	(977,90,872)	166,85,126
Adjustment for		
Loss on dispose of fixed assets	12,92,212	7,447
Finance Cost	140,55,432	99,30,692
Depreciation	68,27,237	67,73,316
Operating Profit before Working Capital Changes	(756,15,991)	333,96,581
(Increase)/Decrease in Long Term Loans & Advances	4,92,684	(4,66,720)
(Increase)/Decrease in Short Term Loans and Advances	(275,17,134)	(184,31,893)
(Increase)/Decrease in Other Current Assets	51,87,222	7,15,816
(Increase)/Decrease in Other Non - Current Assets	(514,83,472)	(594,48,332)
(Increase)/Decrease in Trade Receivables	(559,66,417)	(190,65,929)
Increase/(Decrease) in Long Term Provisions	1,56,893	33,00,269
Increase/(Decrease) in Short Term Provisions	(10,96,625)	19,83,774
Increase/(Decrease) in Other Current Liabilities	148,36,076	54,98,017
Increase/(Decrease) in Trade Payables	1192,54,639	110,67,885
Cash Generated from Operations	(717,52,125)	(414,50,532)
Tax Expense/ Adjustment	3,88,497	(82,52,640)
Net Cash from Operating Activities	(713,63,628)	(497,03,172)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(164,65,972)	(92,57,200)
Sale of Fixed Assets	1,00,000	3,950
Net Cash from Investing Activities	(163,65,972)	(92,53,250)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issue of Share Capital	1199,99,945	-
Share issue expenses	(11,08,180)	-
Proceeds from Borrowings	687,65,987	886,58,269
Repayment of Borrowings	(554,62,493)	(516,29,916)
Interest Paid on Borrowing	(140,55,432)	(99,30,692)
Net Cash from Financing Activities	1181,39,827	270,97,661
Net Increase in Cash & Cash Equivalents (A+B+C)	304,10,227	(318,58,761)
Cash and Cash Equivalents as on 01.04.2017	1191,91,660	1510,50,421
Cash and Cash Equivalents as on 31.03.2018	1496,01,887	1191,91,660

CASH & CASH EQUIVALENTS COMPRISES OF:

Particulars	Year Ended 31.03.2018 Rs.	Year Ended 31.03.2017 Rs.
Cash and Cash Equivalents:		
Cash in Hand	178,89,182	192,77,114
Balance with banks in current accounts	1317,12,705	999,14,546
	1496,01,887	1191,91,660

Note No. 1 to 36 form an integral part of the Financial Statements.

As per our report of even date attached
For Rajeev Bhatia & Associates
Chartered Accountants
Firm's Registration No.: 021776N

Rajeev Bhatia
Proprietor
M. No. 089018

Place : Delhi
Dated: 28 May 2018



For and on behalf of the Board of Directors

H P Singh
(Director)
(DIN - 00333754)

Sanjeev Vij
(Chief Executive Officer)

Prashant Sharma
(Company Secretary)
(M No. - A24373)

Rakesh Sachdeva
(Director)
(DIN - 00332588)

Abhay Thakkar
(Chief Financial Officer)

1. Corporate Information

Taraashna Services Limited ("the Company") is a public company incorporated in India under Companies Act, 1956. The Company was originally incorporated as Private Limited Company on 22nd May, 2012 and thereafter converted into Public Limited Company on 12th May, 2017 and the name of the Company was changed to "Taraashna Services Limited".

The Company is engaged in the business of "Business Correspondent" activity with various Banks and NBFCs. As per Reserve Bank of India, scope of activity of BC services includes Identification of Borrowers, collection and preliminary processing of loan applications including verification of primary information, processing and submission of applications to banks, promoting, nurturing and monitoring of Self Help Groups/Joint Liability Groups, post-sanction monitoring, follow-up for recovery, disbursal of small value credit and recovery of principal/collection of interest. The company is presently operating in states of Punjab, Rajasthan, Gujarat, Madhya Pradesh, Maharashtra, Bihar, Uttar Pradesh & Chhattisgarh.

2. Significant Accounting Policies

a) Basis of Preparation

These financial statements have been prepared on a going concern basis under historical cost convention, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India and the applicable accounting standards specified under the Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, other accounting pronouncements of the Institute of Chartered Accountants of India ("ICAI"), relevant provision of the Companies Act, 2013 as applicable. Accounting policies have been consistently applied except where a newly issued accounting standard or a guideline is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

Current and Non-Current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business and time between the acquisition of assets and their realization in cash and cash equivalents, the Company



has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

b) Use of Estimates

The preparation of financial statements is in conformity with the Indian Generally Accepted Accounting Principles in India and requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities including contingent liabilities at the end of the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. The actual results could differ from these estimates and the differences between the actual results and the estimates are recognized in the years in which the results are known / materialize and their effects disclosed in the notes to the financial statements.

c) Property, plant and equipment

- i) **Tangible assets:** Tangible fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of a tangible fixed asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets 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 derecognized.

Capital work in progress:

Capital work in progress are carried at cost, comprising direct cost, related incidental expenses and advances paid to acquire property, plant and equipment. Assets which are not ready to intended use are also shown under capital work in progress.



Taraashna Services Limited

Notes to Financial Statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

- ii) **Intangible assets:** Intangible assets are carried at cost of acquisition less amortization. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Assets which are not ready for their intended use are shown as Intangible assets under development which comprises of all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management

d) Depreciation and amortization

- i) Depreciation on tangible fixed assets is provided on the written-down method over the useful lives of assets prescribed under Part 'C' of Schedule II of the Companies Act, 2013 which is also at par with the useful life of the assets estimated by the management.

Assets	Useful Life as per Schedule II (years)
Office Equipment	5 years
Computer Equipment	3 years
Furniture & Fixture	10 years
Vehicles	8 years

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed. Losses arising from retirement or gains or losses arising from disposal of fixed assets are recognized in the Statement of Profit and Loss.

- ii) Intangible assets are amortized over their estimated useful lives from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset. Intangible asset is being amortised over a period of 3 years using written down value method.

e) Impairment of tangible and intangible assets

The Company assess at each balance sheet date whether there is any indication of impairment based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or cash generating unit to which asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as impairment loss and is recognized in its Statement of Profit and Loss. If at the balance sheet date, there is an indication that if a previously assessed impairment loss no longer exist, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciated historical cost.



f) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the collectability is reasonably assured.

- i) Revenue is primarily derived from Business Correspondence services on behalf of various Partner Banks and NBFCs. Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed. The Company presents revenues net of Indirect Taxes in its Statement of Profit and Loss.
- ii) Interest income on fixed deposits with bank is recognized on a time proportion accrual basis taking into account the amount outstanding and the interest rate applicable.
- iii) All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

g) Borrowing Costs

Borrowing cost, which are directly attributable to the acquisition /construction of fixed assets, till the time such assets are ready for intended use, are capitalized. Borrowing cost consists of interest and other cost that the Company incurred in connection with borrowing of funds. Other incidental borrowing costs namely Processing Fee, Due Diligence charges and Stamp duty charges are amortized over the period of the loan. All other borrowing costs other than mentioned above are expensed in the period they are incurred. In case any loan is prepaid/cancelled then the unamortized borrowing cost, if any, is fully expensed off on the date of prepayment/cancellation.

h) Provisions and Contingent Liabilities / Assets

Provision

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



Contingent liability

A Contingent liability is a possible obligation arising 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 may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets

Contingent Assets are neither recognized nor disclosed in the financial statements.

i) Employees Retirement Benefits

Employee benefits includes provident fund, employee state insurance scheme and gratuity fund and compensated absences.

(i) Short-term employee benefits

Short term benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

(ii) Defined Contribution Plan

Company's contributions to Provident Fund, Pension Fund and Employee State Insurance Scheme are charged as expense based on the amount of contribution required to be made and when services are rendered by the employees.

(iii) Defined Benefit Plan

Liabilities for gratuity funded in terms of a scheme administered by the Life Insurance Corporation of India, are determined by actuarial valuation on Projected Unit Credit Method made at the end of each Balance Sheet date and provision for liabilities pending remittance to the fund is carried in the Balance Sheet.



(iv) Long term employee benefits

Compensated absences which are not expected to occur within 12 months after the end of period in which the employee rendered the related services are provided for based on actuarial valuation carried out at the end of the financial period using projected unit Credit Method. Past services cost is recognized immediately to the extent that the benefits are already used and otherwise is amortized on straight line base over the average period unit the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefits obligation as adjusted for un-recognised past service cost, as redeemed by the fair value of scheme assets.

Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

j) Segment reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

k) Taxation

Tax expense for the period, comprising of current tax and deferred tax are included in the determination of the net profit or loss for the period.

- (i) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.
- (ii) Excess/short provision of income tax relating to earlier years is disclosed separately in the accounts.
- (iii) Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However,



if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability.

l) Earnings / (loss) Per Share

Basic earnings / (loss) per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the year, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each year presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

m) Leases

Lease arrangements where the significant portion of the risks and rewards of ownership vests with the Lessor are recognized as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of lease.

n) Cash and Cash Equivalents (for the purpose of Cash Flow Statement)

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

o) Share Issue Expenses

All expenses pertaining to issue of equity share capital are adjusted against the Securities Premium Account to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.



Note No.	Particulars	As at 31.03.2018		As at 31.03.2017	
		Rs.	Rs.	Rs.	Rs.
3	Share Capital				
	Authorised				
	200,00,000 Equity Shares of Rs.10/- each (Previous Year		2000,00,000		1000,00,000
	100,00,000 Equity Shares of Rs.10/- each)				
	Issued				
	1,24,40,313 Equity Shares of Rs. 10/- each (Previous Year		1244,03,130		908,27,320
	90,82,732 Equity Shares of Rs. 10/- each)				
	Subscribed				
	1,24,40,313 Equity Shares of Rs. 10/- each (Previous Year		1244,03,130		908,27,320
	90,82,732 Equity Shares of Rs. 10/- each)				
	Paid-up				
	1,24,40,313 Equity Shares of Rs. 10/- each (Previous Year		1244,03,130		908,27,320
	90,82,732 Equity Shares of Rs. 10/- each)		1244,03,130		908,27,320
	Reconciliation of equity shares of the face value of Rs. 10/- each	No.	Rs.	No.	Rs.
	Authorised				
	At the beginning of the accounting period	100,00,000	1000,00,000	100,00,000	1000,00,000
	Additions during the year	100,00,000	1000,00,000	-	-
	At the end of the accounting period	200,00,000	2000,00,000	100,00,000	1000,00,000
	Issued				
	At the beginning of the year	90,82,732	908,27,320	90,82,732	908,27,320
	Additions during the year	33,57,581	335,75,810	-	-
	At the end of the accounting year	124,40,313	1244,03,130	90,82,732	908,27,320
	Subscribed				
	At the beginning of the year	90,82,732	908,27,320	90,82,732	908,27,320
	Additions during the year	33,57,581	335,75,810	-	-
	At the end of the accounting year	124,40,313	1244,03,130	90,82,732	908,27,320
	Paid up				
	At the beginning of the year	90,82,732	908,27,320	90,82,732	908,27,320
	Additions during the year	33,57,581	335,75,810	-	-
	At the end of the accounting year	124,40,313	1244,03,130	90,82,732	908,27,320

1. During the year the Company has allotted 33,57,581 (Thirty-three lakhs fifty-seven thousand five hundred and eighty one) numbers of equity shares to its Holding Company (Satin Creditcare Network Limited) of Rs. 10/- each at an issue price of Rs. 35.74 per share including premium of Rs. 25.74 per share. Post fresh allotment, total holding by Satin Creditcare Network Limited, becomes 91.11% as on the reporting date, details are as follows:

S No.	Consideration Received (In Rs.)	No. of Shares Allotted	Price (in Rs.)	Premium (included in Price in Rs.)	Date of Allotment
1	699,99,971	19,58,589	35.74	25.74	29/07/2017
2	499,99,974	13,98,992	35.74	25.74	29/09/2017
	1199,99,945	33,57,581			

2. Details of Shares held by Holding Company

S. No.	Name of Shareholder	As at 31.03.2018		As at 31.03.2017	
		No. of shares	Percentage Holding	No. of shares	Percentage Holding
1	Satin Creditcare Network Limited	113,34,815	91.11	79,77,239	87.83

Post transfer Taraashna became 91.11 subsidiary of Satin Creditcare Network Limited



3. Details of Shareholders having more than 5% share other than Holding Company

S. No.	Name of Shareholder	As at 31.03.2018		As at 31.03.2017	
		No. of shares	Percentage Holding	No. of shares	Percentage Holding
1	MV Mauritius Limited	11,05,493	8.89	11,05,493	12.17

4. Rights and Restrictions attached to Equity Share

The company has only one class of equity shares having par value of Rs.10 per share. Each equity shareholder is eligible for one vote per share held. In the event of liquidation of the company the holders of equity share will be entitled to receive the assets in proportion to the number of equity shares held by each of them.

5. The company vide special resolution approved by member of the Company in the Annual General Meeting in June 24, 2017 increased its authorised share capital to Rs. 20,00,00,000/- (from existing Rs. 10,00,00,000/-) divided into 2,00,00,000 number of equity shares of Rs. 10.00 each (previous year divided into 1,00,00,000 number of equity shares of Rs. 10.00 each).

Note No.	Particulars	As at 31.03.2018		As at 31.03.2017	
		Rs.	Rs.	Rs.	Rs.
4	Reserves & Surplus				
	Securities Premium Reserve				
	At the beginning of the accounting period	531,40,177		531,40,177	
	Additions during the period	864,24,135			
	Less: Share issue expenses	(11,08,180)			
	At the end of the accounting period		1384,56,132		531,40,177
	Statement of Profit & Loss				
	At the beginning of the accounting period	433,70,919		331,58,383	
	Additions / (Deductions) during the period	(663,36,485)		102,12,536	
	At the end of the accounting period		(229,65,566)		433,70,919
			1154,90,566		965,11,096

Note No.	Particulars	As at 31.03.2018		As at 31.03.2017	
		Rs.	Rs.	Rs.	Rs.
5	Long term borrowings				
	Secured Loans				
	From Bank	23,46,163			
	(Secured by hypothecation of asset)				
	Unsecured Loans				
	From Others	432,55,597		320,89,662	
			456,01,760		320,89,662

1 The Company has availed long term loan facilities from bank/ other institutions as per details below:

S No.	Terms of Repayments	Long Term (Rs.)	Short Term (Rs.)	Current Year (Rs.)	Previous Year (Rs.)
1	60 Monthly instalments of Rs. 58,295.00	23,46,163	4,90,772	28,36,935	4,10,889
2	In 12 to 24 quarterly instalments	486,81,817	284,09,095	770,90,912	634,41,933



Note No.	Particulars	As at 31.03.2018		As at 31.03.2017	
		Rs.	Rs.	Rs.	Rs.
6	Long-Term provisions				
	Provision for Leave encashment	97,62,044		70,68,708	
	Provision for Gratuity	-		25,36,443	
			97,62,044		96,05,151

6.1 Employee benefits

The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2015, are given below:

(i) Defined Contribution Plan

The contribution made to various statutory funds is recognised as expense and included in Note 23 'Employee benefits expense' under "Contribution to Provident & Other Funds" in the Statement of Profit and Loss. The detail is as follows:

Particulars	31.03.2018	31.03.2017
Employer's Contribution to Provident Fund	64,78,411	51,77,510
Employer's Contribution to Superannuation Fund	-	-
Employer's Contribution to Pension Scheme	108,27,165	82,88,087

(ii) Defined Benefit Plan - Gratuity (funded)

The employee's gratuity fund scheme is managed by Life Insurance Corporation of India ("LIC"). The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation:

Balance Sheet: Details of provision for gratuity:

Particulars	31.03.2018	31.03.2017
Defined benefit obligation	84,20,903	58,36,377
Fair value of plan assets	85,42,763	50,74,108
Plan Liability / (Assets) (Refer Note No. 15)	(1,21,860)	7,62,269

Changes in the present value of the defined benefit obligation are as follows:

Particulars	31.03.2018	31.03.2017
Opening defined benefit obligation	58,36,377	29,69,849
Interest cost	4,26,056	2,16,799
Past service cost	-	-
Current service cost	37,11,186	28,22,918
Benefits paid	(1,83,114)	-
Actuarial (gain)/ losses on obligation	(13,69,602)	1,73,189
Closing defined benefit obligation	84,20,903	58,36,377

Changes in the fair value of plan assets are as follows:

Particulars	31.03.2018	31.03.2017
Opening fair value of plan assets	50,74,108	32,65,747
Actual return	4,85,151	3,23,407
Contribution by employer	34,99,000	17,60,000
Fund Management Charges	3,32,307	2,75,046
Benefits paid	(1,83,114)	-
Closing fair value of plan assets	85,42,763	50,74,108

Statement of Profit and Loss: Net employee benefit expense recognised as follows:

Particulars	31.03.2018	31.03.2017
Current service cost	37,11,186	28,22,918
Past service cost	-	-
Interest cost on benefit obligation	4,26,056	2,16,799
Expected return on plan assets	(4,00,855)	-
Actuarial (gains)/losses	(14,53,898)	(1,73,189)
Excess Provision as per Actuarial Valuation	-	28,66,528
Net expenses	22,82,489	-

Actuarial Assumptions

Particulars	31.03.2018	31.03.2017
Mortality Table	IALM (2006-08)	IALM (2006-08)
Discounting Rate	7.80	7.30
Expected Rate of return on plan assets (Per Annum)	7.80	7.90
Rate of escalation in salary (per annum)	6.00	3.00

The estimate rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.



The amounts for the current and previous years are as follows:

Particulars	Gratuity				
	As at	As at	As at	As at	As at
	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Defined benefit Obligation	84,20,903	58,36,377	29,69,849	9,97,584	4,81,606
Plan assets	85,42,763	-	-	-	-
(Deficit)/Surplus	1,21,860	(58,36,377)	-29,69,849.00	(9,97,584)	(4,81,606)
Experience adjustments on plan liabilities	29,68,101	(4,18,307)	1,56,397	3,07,492	69,360
Experience adjustments on plan assets	84,296	-	-	-	-

Note No.	Particulars	As at 31.03.2018		As at 31.03.2017	
		Rs.	Rs.	Rs.	Rs.
7	Short term borrowings				
	Secured Loans				
	From Bank			236,45,014	
	(Working Capital Limit, secured against book debts)				
	Unsecured Loans				
	From Bank	8,41,829		1,450	
	(CC Limit used for BC arrangement)				
	From Bank - Credit Card	44,907		11,804	
			8,86,736		236,58,268

1. The Company has availed short term facilities from banks as per details below:

S No.	Particulars	Terms of Repayment	31.03.2018	31.03.2017
1	CC Limit – Secured	Account to be within limit.	-	236,45,014
2	CC Limit – Unsecured	Account to be within limit.	8,41,829	1,450
3	From Bank	As and when due	44,610	11,804

1. During the year, entire amount of working capital limit outstanding with RBL Bank Limited was paid off and account has been closed as on 22 July 2017.

Note No.	Particulars	As at 31.03.2018		As at 31.03.2017	
		Rs.	Rs.	Rs.	Rs.
8	Trade payables				
8.1	Due to Micro and Small Enterprises				
8.2	Other Payables	2606,72,506		1414,17,867	
			2606,72,506		1414,17,867

1. Trade payables includes an amount of Rs. 963,46,958/- (Net) (Previous year Rs. 1119,01,805/-) payable to partner banks and NBFCs on account of the instalments collected from their customers and amount pending disbursements on behalf of them.

2. Trade payables includes an amount of Rs. 670,73,091/- (Net) (Previous year NIL), payable to Northern Arc Capital Limited on account of the payment made by them towards risk participation to one of the business partners as per agreement with them.

3. Trade payables includes an amount of Rs. 952,05,526/- (Net) (Previous year Rs. 295,16,062/-) payable to the partner banks and NBFCs on account of the first loss default guarantee as per the terms of the business correspondent agreements with them.

4. Refer Note No. 28 with respect to first loss default guarantee.



Note No.	Particulars	As at 31.03.2018		As at 31.03.2017	
		Rs.	Rs.	Rs.	Rs.
9	Other Current Liabilities				
	Current maturity of long term borrowings-Secured From Bank	4,90,772		4,10,889	
	Current maturity of long term borrowings-Unsecured From Others	538,35,316		313,52,271	
	Expenses Payable	57,39,933		150,33,502	
	Other Payable	125,47,213			
	Statutory Liabilities Payable	163,83,295		53,19,695	
	Interest accrued but not due on loan	10,61,909		5,43,077	
			900,58,438		526,59,434

1. Statutory liabilities include amount payable towards Income Tax, Goods and Service Tax, Professional Tax, Provident Fund, Employees State Insurance etc.

Note No.	Particulars	As at 31.03.2018		As at 31.03.2017	
		Rs.	Rs.	Rs.	Rs.
10	Short-Term provisions				
	Provision for Leave encashment	12,98,134		20,64,674	
	Provision for Gratuity			3,30,085	
			12,98,134		23,94,759



Note No. 11
Property, Plant and Equipment
Tangible Assets

(Amount in Rs.)

Particulars	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Total
Gross block					
Balance as on 1 April 2016	56,66,071	20,62,208	70,98,340	16,60,606	164,87,225
Additions	18,96,131	16,98,161	36,17,350	-	72,11,642
Deletions/ Adjustments	-	7,900	16,202	-	24,102
Balance as on 31 March 2017	75,62,202	37,52,469	106,99,488	16,60,606	236,74,765
Additions	124,67,320	1,28,932	2,63,693	36,06,000	164,65,945
Deletions/ Adjustments	33,400	28,750	26,53,940	16,60,606	43,76,696
Balance as on 31 March 2018	199,96,122	38,52,651	83,09,241	36,06,000	357,64,015
Accumulated depreciation					
Balance as on 1 April 2016	31,81,512	9,57,397	20,78,949	5,65,507	67,83,365
Additions	22,27,059	9,91,194	17,75,954	3,41,997	53,36,204
Deletions/ Adjustments	-	4,407	8,298	-	12,705
Balance as on 31 March 2017	54,08,571	19,44,184	38,46,605	9,07,504	121,06,864
Additions	27,16,543	10,27,795	16,55,104	6,57,579	60,57,021
Deletions/ Adjustments	31,726	24,860	12,67,319	11,04,035	24,27,940
Balance as on 31 March 2018	80,93,388	29,47,119	42,34,390	4,61,048	157,35,945
Net block					
Balance as on 31 March 2017	21,53,631	18,08,285	68,52,884	7,53,102	115,67,902
Balance as on 31 March 2018	119,02,734	9,05,532	40,74,851	31,44,952	200,28,069

Note No. 12
Intangible assets

Particulars	Software	Total
Gross block		
Balance as on 1 April 2016	12,52,206	12,52,206
Additions	20,45,557	20,45,557
Deletions/ Adjustments	-	-
Balance as on 31 March 2017	32,97,763	32,97,763
Additions	-	-
Deletions/ Adjustments	-	-
Balance as on 31 March 2018	32,97,763	32,97,763
Accumulated depreciation		
Balance as on 1 April 2016	6,40,952	6,40,952
Additions	14,37,112	14,37,112
Deletions/ Adjustments	-	-
Balance as on 31 March 2017	20,78,064	20,78,064
Additions	7,70,216	7,70,216
Deletions/ Adjustments	-	-
Balance as on 31 March 2018	28,48,280	28,48,280
Net block		
Balance as on 31 March 2017	12,19,699	12,19,699
Balance as on 31 March 2018	4,49,483	4,49,483



(Amount in Rs.)

Note No.	Particulars			
13	Deferred Tax Assets/(Liabilities)/Timing difference on account of	As at 31.03.2018	(Liability)/Assets/ Movements during the period	As at 31.03.2017
	WDV of Property, Plant and Equipment	18,60,424	8,97,575	9,62,849
	Gratuity	-	2,37,307	(2,37,307)
	Leave Encashment	34,17,595	3,98,099	30,19,496
	Provision for portfolio	-	-	-
	Carried Forward Losses	278,27,389	278,27,389	
	Unabsorbed Depreciation	17,27,009	17,27,009	
	Expenditure on account of Authorised Share Capital	-	(21,489)	21,489
	Total Deferred Tax Assets	348,32,417	310,65,890	37,66,527

1. The above is pursuant to Accounting Standard -22 issued by The Institute of Chartered Accountants of India in respect of "Accounting for Taxes on Income". Accordingly necessary deferred tax liabilities and assets have been recognized.

Note No.	Particulars	As at 31.03.2018		As at 31.03.2017	
		Rs.	Rs.	Rs.	Rs.
14	Long Term Loans & Advances Security Deposits - Unsecured	14,22,630		19,15,314	
			14,22,630		19,15,314

1. In the opinion of management, the above security deposits are good for recovery.

Note No.	Particulars	As at 31.03.2018		As at 31.03.2017	
		Rs.	Rs.	Rs.	Rs.
15	Other Non-Current Assets				
	Long term deposits having remaining maturity of more than 1 year	1558,02,775		805,41,631	
	LIC Group Gratuity Scheme (Refer Note 6)	1,21,860		-	
	Interest accrued but not due	70,03,118			
	Other - Employees group Gratuity Trust	23,13,459		35,84,336	
			1652,41,212		841,25,967

1. The total term deposits of the Company with Banks / NBFC amounts to Rs. 2252,65,422 (Previous Year Rs. 1796,36,051) out of which Rs. 1558,02,775 (Previous Year Rs. 805,41,631) is shown as other non-current assets and Rs. 694,62,647 (Previous Year Rs. 990,94,420) as cash and bank balances. All these term deposits are lien marked by the Banks / NBFC against first loss/second loss default guarantees.

Note No.	Particulars	As at 31.03.2018		As at 31.03.2017	
		Rs.	Rs.	Rs.	Rs.
16	Trade Receivables				
	Outstanding more than 6 months	37,623		-	
	Others	1158,08,088		598,79,294	
			1158,45,711		598,79,294

1. In the opinion of management, the above receivables are good for recovery.

2. Trade Receivables - Others includes an amount of Rs. 178,17,416/- (Net) (Previous year Rs. NIL), on account of recoverable from one of Partner Banks for excess instalment paid though not recovered from clients and also disbursement made to clients from disbursement limit provided by partner bank as on 31 March 2018.



Note No.	Particulars	As at 31.03.2018		As at 31.03.2017	
		Rs.	Rs.	Rs.	Rs.
17	Cash & Bank Balances				
17.1	Cash & Cash Equivalents:				
	Cash on Hand	178,89,182		192,77,114	
	Balance with banks in current accounts	1317,12,705		999,14,546	
17.2	Other Bank Balances				
	Term deposits for remaining maturity upto 1 year	694,62,647		990,94,420	
			2190,64,534		2182,86,080

Note No.	Particulars	As at 31.03.2018		As at 31.03.2017	
		Rs.	Rs.	Rs.	Rs.
18	Short Term Loans & Advances - Unsecured				
	Security Deposit	19,23,300		11,36,750	
	Staff Advance	10,91,789		24,87,746	
	Advance Tax (Current Year)	312,88,059		142,36,659	
	Advance Tax (Earlier Years)	468,28,781		382,39,035	
	Advances recoverable in cash or in kind or for value to be received	38,65,500		24,15,720	
	Prepaid Expenses	35,38,611		19,46,425	
			885,36,040		604,62,335

Note No.	Particulars	As at 31.03.2018		As at 31.03.2017	
		Rs.	Rs.	Rs.	Rs.
19	Other Current Assets				
	Interest accrued but not due	27,53,218		79,40,440	
			27,53,218		79,40,440

Note No.	Particulars	Year Ended 31.03.2018		Year Ended 31.03.2017	
		Rs.	Rs.	Rs.	Rs.
20	Revenue from operations				
	Income from Business Correspondents Operations	5175,14,042		3867,43,864	
	Interest on Fixed Deposit	160,32,442		138,87,587	
			5335,46,484		4006,31,451

1. The company executed agreements with Yes Bank Ltd., RBL Bank Ltd., Reliance Commercial Finance Ltd., DCB Bank Ltd., Indusind Bank Ltd., State Bank of India and Northern Arc Capital Ltd. to act as their business correspondent/ Service Provider. Service charges received from above partners are shown as Income from Business Correspondents Operation.

Note No.	Particulars	Year Ended 31.03.2018		Year Ended 31.03.2017	
		Rs.	Rs.	Rs.	Rs.
21	Other Income				
	Other Income	47,39,325		41,95,114	
			47,39,325		41,95,114

Note No.	Particulars	Year Ended 31.03.2018		Year Ended 31.03.2017	
		Rs.	Rs.	Rs.	Rs.
22	Finance Cost				
	Interest Expenses	103,48,829		99,30,692	
	Other Borrowing Costs	37,06,603			
			140,55,432		99,30,692

Note No.	Particulars	Year Ended 31.03.2018		Year Ended 31.03.2017	
		Rs.	Rs.	Rs.	Rs.
23	Employee Benefit Expenses				
	Salaries & Other Incentives	2713,38,803		2166,57,104	
	Contribution to Provident & Other Funds	257,08,828		182,77,614	
	Gratuity	22,82,489		28,66,528	
	Employee Compensation Expenses*	6,25,015		-	
	Employee Welfare Expenses	28,17,051		32,09,328	
			3027,72,186		2410,10,574

* Employees compensation expenses represents expenses reimbursed to holding company in relation to ESOP Scheme granted to Company's employees



Note No.	Particulars	Year Ended		Year Ended	
		31.03.2018		31.03.2017	
		Rs.	Rs.	Rs.	Rs.
24	Other Expenses				
	Conveyance & Travelling	165,70,962		178,63,364	
	Printing & Stationary	80,28,290		64,57,907	
	Communication	98,69,120		82,52,941	
	Business Promotion	3,88,095		1,64,311	
	Legal & Professional Charges	4,26,457		114,79,899	
	Insurance Charges	59,70,219		30,90,302	
	Office Expenses	189,23,021		129,26,609	
	Power and Fuel	26,81,248		18,30,566	
	Rent (Refer Note No.-32)	212,64,080		183,79,293	
	Advertisement Expenses	36,222		1,50,756	
	Auditors' Remuneration	4,00,000		1,10,000	
	Rates & Taxes	12,184		1,13,316	
	Miscellaneous Expenses	9,02,435		6,19,930	
	GST/ Service Tax Expenses	31,96,779		8,85,465	
	Guarantee Fees	47,93,604		44,74,127	
	Loss on sale/ dispose off of Fixed Asset	12,92,212		7,447	
	Bank Charges	92,10,071		60,48,185	
	First Loss Default Guarantee (Refer Note No. 28)	2084,56,827		279,64,505	
	Write Off due to fraud	-		72,57,934	
			3124,21,826		1280,76,857

1. For current period an amount of NIL (Previous Year Rs. 1,00,65,562) included in Legal & Professional Charges has been paid to Holding Company (Satin Creditcare Network Ltd.) in pursuance of Service Agreement between Satin Creditcare Network Limited and Taraashna Services Limited executed on 20 December 2013 where Satin Creditcare Network Limited agreed to provide its expertise, knowledge, skill and guidance to Taraashna Services Limited to enable the later to undertake its business and operations in effective manner. The agreement stand terminated wef 1 August 2016 and subsequently the Company has no obligation towards the payment of said professional charges.

2. Auditors' remuneration comprises the following:

S No.	Particulars	31.03.2018	31.03.2017
1	Statutory Audit Fees	3,00,000	75,000
2	Tax Audit Fees	1,00,000	35,000
	Total	4,00,000	1,10,000

Note No.	Particulars	Year Ended		Year Ended	
		31.03.2018		31.03.2017	
		Rs.	Rs.	Rs.	Rs.
25	Corporate Social Responsibility				
	Expense for CSR	-		23,50,000	
			-		23,50,000

Note 26- Commitments

1. Estimated amount of contract remaining to be executed on capital account and not provided for NIL (Previous Year : Rs. NIL).

Note 27- Directors' Remuneration

Directors' remuneration comprises the following:

S No.	Particulars	31.03.2018	31.03.2017
1	Remuneration	-	15,00,000
2	Contribution to provident fund	-	1,79,000
	Total	-	16,79,000

During the current financial year directors' remuneration have not been paid.

Note 28- Assets Under Management (AUM)

Company is in the activity of Business Correspondent for various banks and NBFCs. Company provides First/ Second Loss Default Guarantees in the form of fixed deposit / guarantees for AUM as per the business correspondent agreement signed with various Banks / NBFCs. The Company incurred a loss of Rs. 2,085 lakhs (Previous Year Rs. 280 lakhs) on account of these guarantees. The same has been charged to the Statement of Profit and Loss.

The Institution wise AUM in the books of company as on 31 March 2018 are as follows:

(Amount in Rs. lakhs)			
S No.	Name of Channel Partner	31.03.2018	31.03.2017
1	Yes Bank Ltd.	16,367	10,761
2	RBL Bank Ltd.	23,031	23,029
3	Reliance Capital Ltd.	14,750	6,967
4	DCB Bank Ltd.	11,010	3,697
5	Indusind Bank Ltd.	1,659	415
6	Northern Arc Capital Limited	39	107
7	State Bank of India	137	-
	Total	66,992	44,976



Note 29- Contingent Liability:

On account of guarantees given by the Company to Channel Partners, in terms of business correspondence agreement executed, in form of FDs / Corporate guarantees (excluding losses incurred upto 31 March 2018).

(Amount in Rs. lakhs)

S No.	Name of Channel Partner	31.03.2018	31.03.2017
1	Yes Bank Ltd.	-	568
2	RBL Bank Ltd. (Non - microfinance business)	3	1,153
3	Reliance Capital Ltd.	712	350
4	DCB Bank Ltd.	452	186
5	Indusind Bank Ltd.	133	33
6	Northern Arc Capital Limited	-	5
7	State Bank of India	7	-
	Total	1,307	2,295

1. Value of contingent liabilities as on 31 March 2018 is stated at Rs. 1,307 lakhs (Previous Year Rs. 2,295 lakhs). This is due to First/Second Loss Default Guarantees on account of outstanding amount of loans to various borrowers of Banks / NBFCs on behalf of which the Company is acting as a Business Correspondent. These contingent liabilities are being calculated on the outstanding loans (Portfolio) in the books of the company as on 31 March 2018 after deducting losses as per agreement already incurred by the Company on account of non-recovery of instalments

2. In the opinion of the management of the Company, the overall contingent liabilities are unlikely to exceed the above mentioned amount as on 31 March 2018.

3. With respect to one of the business partner i.e RBL Bank Ltd., on and after 31 March 2018 Company shall not be liable to create and maintain any Security Deposit and/ or shall not provide any guarantee to RBL Bank Ltd., towards any amount whatsoever against microfinance portfolio as on 31 March 2018 of Rs. 22,758 lakhs from borrowers, to whom loan had been extended by the Company on behalf of RBL Bank Ltd. The existing microfinance portfolio of Customers shall rundown through regular payments by Customers.

Note 30- Segment Reporting

The Company operates in a single reportable segment i.e. Business Correspondent, which has similar risks and returns for the purpose of AS 17 on 'Segment Reporting' specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014. The Company operates in a single geographical segment i.e. domestic.

Note 31- Related Party Disclosure

Related party disclosures in terms of Accounting Standard - 18 issued by The Institute of Chartered Accountants of India is as follows:

Sl. No	Name of Company/ Person	Nature of relationship	Nature of Transaction	Amount of Transaction	Closing Balance	Provision for Doubtful debt, if any	Amount Written back, if any
				(Amount in Rs.)	(Amount in Rs.)		
1	Satin Creditcare Network Limited	Holding company	Paid on account of office rent	22,667 (-)	- (-)	NIL	NIL
2	Satin Creditcare Network Limited	Holding company	Paid on account of ESOP	6,25,015 (-)	- (-)	NIL	NIL
3	Satin Creditcare Network Limited	Holding company	Paid on account of management services	- (1,00,65,562)	- (-)	NIL	NIL
4	Satin Creditcare Network Limited	Holding company	Issuance of equity shares	1199,99,945 (-)	- (-)	NIL	NIL
5	Anureet HP Singh	Director	Director Remuneration	- (16,79,000)	- (-)	NIL	NIL
6	Niryas Food Products Private Limited	Influence of KMP & Relatives	Received amount of loan instalment deducted from creditors of milk products	47,67,774 (6,07,121)	- (2,148)	NIL	NIL
7	Sanjeev Vij	CEO - KMP	Remuneration Paid	70,23,000 (70,23,000)	- (-)	NIL	NIL
8	Prashant Sharma	Company Secretary - KMP	Remuneration Paid	7,42,900 (6,68,400)	- (-)	NIL	NIL
9	Abhay Thakkar	CFO - KMP	Remuneration Paid	5,98,470 (-)	- (-)	NIL	NIL

Figures in brackets pertain to previous year

Note 32- Lease

The disclosure in respect of Accounting for operating leases for lease obligations having tenure of more than 12 months as per AS- 19 is as under:-

S No.	Particulars	As On 31.03.2018	As On 31.03.2017
1	Operating lease payments recognized during the year	66,36,658	53,13,640
2	Minimum lease obligations-		
2.1	Not later than 1 year	34,17,828	53,24,016
2.2	Later than 1 year but not later than 5 years	113,30,129	73,38,816
2.3	Later than 5 years	-	-



Note 33- Foreign Remittance

1. Earning (Remittance inward) in foreign currency: NIL (Previous Year: NIL)
2. Expenditure/Remittance outward in foreign currency in current year: NIL (Previous Year: NIL)

Note 34- Earning Per Share

In accordance with the Accounting Standard 20 of 'Earnings Per Share' as required under The Companies Act, 2013 and Rules framed thereunder and other applicable laws:

(i) Calculation of Earnings Per Share:

Particulars	Current Year	Previous Year
Net Profit / (Loss) after Tax available for appropriation (Rs.)	(663,36,484)	102,12,536
Weighted average number of Equity Shares for computation of Basic Earnings Per Share	11108012	9082732
Basic Earnings Per Share (Rs.)	(5.97)	1.12
Weighted average number of Equity Shares for computation of Diluted Earnings Per Share	11108012	9082732
Diluted Earnings Per Share (Rs.)	(5.97)	1.12

(ii) The reconciliation between Basic and Diluted Earnings per Share is as follows:

Particulars	Current Year	Previous Year
Basic Earnings Per Share (Rs.)	(5.97)	1.12
Effect of outstanding (Rs.)	0	-
Diluted Earnings Per Share (Rs.)	(5.97)	1.12

Note 35- Due to Micro, Small and Medium Enterprises

Based on the information available with the company, there is no outstanding dues to suppliers registered under "The Micro, Small and Medium Enterprises Development Act 2006" as at 31 March, 2018 (Previous Year Rs. NIL).

Note 36- Previous Year Figures

The figures of previous year have been regrouped / reclassified wherever necessary to make them comparable with the figures of the current year.

Note No. 1 to 36 form an integral part of the Financial Statements.

As per our report of even date attached

For Rajeev Bhatia & Associates

Chartered Accountants

Firm's Registration No.: 021776N

Rajeev Bhatia
Proprietor
M. No. 089018

Place : Delhi
Dated: 28 May 2018



For and on behalf of the Board of Directors

H P Singh
(Director)
(DIN - 00333754)

Sanjeev Vij
(Chief Executive Officer)

Prashant Sharma
(Company Secretary)
(M No. - A24373)

Rakesh Sachdeva
(Director)
(DIN - 00332588)

Abhay Thakkar
(Chief Financial Officer)