



Rajeev Bhatia & Associates

Chartered Accountants

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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 2017, 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.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 31st March, 2017; its Profit 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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 Auditors' 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.
 - d) Refer Note No. (37) to the financial statement, Company has provided information in relation to requisite disclosures in its financial statements regarding holdings as well as transactions in Specified Bank Notes (SBNs) during the period from 9th November, 2016 to 30th December, 2016. Pending availability of information from some of the branches of the company, compilation & tabulation of SBNs during the said period could not be completed. The management has confirmed that company has accepted only the permitted receipts in the SBNs and also there were no SBNs in the possession of the Company on or after 30th December 2016.

Place: New Delhi

Dated: 25/05/2017

For Rajeev Bhatia & Associates

Chartered Accountants

Firm 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 31st March 2017)

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 generally regular in depositing undisputed statutory dues including income-tax, service 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 2017 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, except as disclosed in the financial statement in relation to two instances of fraud of embezzlement of cash by the employees of the Company amounting to Rs. 85.01 Lacs (Refer Note No. 30 to the Notes to the Financial Statement).



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 paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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: New Delhi
Dated: 25/05/2017

For Rajeev Bhatia & Associates
Chartered Accountants
Firm 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 31st March 2017)

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 2017 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, 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 31st March 2017, 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: New Delhi

Dated: 25/05/2017

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



Rajeev Bhatia
Proprietor
M. No. 089018

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

CIN - U74140DL2012PLC236314

301, 3rd Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi -110001
Contact: - Tel - 011-42048031, Email - accounts.ho@taraashna.in, Web - www.taraashna.in

BALANCE SHEET AS AT 31st March 2017

Particulars	Note No.	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	908,27,320.00	908,27,320.00
(b) Reserves and Surplus	4	965,11,096.37	862,98,560.44
Sub-Total Shareholders' Funds		1873,38,416.37	1771,25,880.44
(2) Non-Current Liabilities			
(a) Long Term Borrowings	5	320,89,662.00	97,93,566.00
(b) Long Term Provisions	6	96,05,151.00	63,04,882.00
Sub-Total Non-Current Liabilities		416,94,813.00	160,98,448.00
(3) Current Liabilities			
(a) Short Term Borrowings	7	236,58,268.57	132,94,613.32
(b) Trade payables	8		
(i) Due to Micro and Small Enterprises	8.1	-	-
(ii) Other Payables	8.2	1119,01,805.00	1008,33,920.06
(c) Other Current Liabilities	9	821,75,495.40	723,08,876.73
(d) Short Term Provisions	10	23,94,759.00	4,10,985.00
Sub-Total Current Liabilities		2201,30,327.97	1868,48,395.11
TOTAL EQUITY & LIABILITIES		4491,63,557.34	3800,72,723.55
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets - Property, Plant & Equipment	11	115,67,901.87	97,03,859.87
(ii) Intangible Assets	12	12,19,699.00	6,11,254.00
(iii) Capital Work-In-Progress	13	-	-
(b) Deferred Tax Assets (Net)	14	37,66,526.83	19,86,477.31
(c) Long Term Loans & Advances	15	30,52,064.00	25,85,344.00
(d) Other Non - Current Assets	16	841,25,966.82	210,27,645.09
Sub-Total Non-Current Assets		1037,32,158.52	359,14,580.27
(2) Current Assets			
(a) Trade Receivables	17	598,79,293.50	408,13,365.00
(b) Cash & Bank Balances	18	2182,86,080.25	2537,94,830.63
(c) Short Term Loans and Advances	19	573,79,159.90	389,47,266.61
(d) Other Current Assets	20	98,86,865.17	106,02,681.04
Sub-Total Current Assets		3454,31,398.82	3441,58,143.28
TOTAL ASSETS		4491,63,557.34	3800,72,723.55

Note No. 1 to 38 form an integral part of the Financial Statements.

As per our report of even date attached

For Rajeev Bhatia & Associates

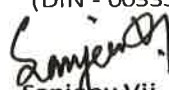
Chartered Accountants


Firm Registration No. 021776N


Rajeev Bhatia
Proprietor
M. No. 089018

For and on behalf of the Board of Directors


H P Singh
(Director)
(DIN - 00333754)


Sanjeev Vij
(Chief Executive Officer)



Anureet H P Singh
(Director)
(DIN - 00332588)


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

Place : Delhi

Dated: 25th May 2017

TARAASHNA SERVICES LIMITED

(Formerly known as Taraashna Services Private Limited)

CIN - U74140DL2012PLC236314

301, 3rd Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi -110001

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STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st March 2017

Particulars	Note No.	Year Ended 31.03.2017 Rs.	Year Ended 31.03.2016 Rs.
I. Income			
1. Revenue From Operations	21	4006,31,450.53	3200,81,858.23
2. Other Income	22	41,95,114.41	25,66,302.66
Total		4048,26,564.94	3226,48,160.89
II. Expenses			
1. Finance Cost	23	99,30,691.64	97,12,560.51
2. Employee Benefit Expenses	24	2410,10,573.32	1784,64,846.00
3. Other Expenses	25	1280,76,857.57	1227,17,158.10
4. Depreciation	11,12,13	67,73,316.00	39,23,790.00
Total		3857,91,438.53	3148,18,354.61
Profit Before Exceptional And Extraordinary Items And Tax		190,35,126.41	78,29,806.28
Prior Period/ Exceptional Items		-	3,80,042.00
Profit Before Extraordinary Items, Corporate Social Responsibility Expense And Tax		190,35,126.41	74,49,764.28
Corporate Social Responsibility Expense	26	23,50,000.00	-
Extraordinary Items		-	-
Profit Before Tax		166,85,126.41	74,49,764.28
Tax Expense:			
(1) Less : Current Tax		84,55,320.00	30,98,040.00
(2) Add/(Less) : Adjustment for earlier year Tax		2,02,680.00	-
(2) Add/(Less) : Deferred Tax		17,80,049.52	8,95,634.40
Profit After Tax For The Year From Continuing Operations		102,12,535.93	52,47,358.68

Earning per share (Par Value Rs. 10/- each)

Basic	1.12	0.62
Diluted	1.12	0.62

Note No. 1 to 38 form an integral part of the Financial Statements.

As per our report of even date attached

For Rajeev Bhatia & Associates

Chartered Accountants

Firm Registration No. 021776N

Rajeev Bhatia

Proprietor

M. No. 089018

**For and on behalf of the Board of Directors**

H P Singh

(Director)

(DIN - 00333754)

Sanjeev Vij

(Chief Executive Officer)

Anureet H P Singh

(Director)

(DIN - 00332588)

Prashant Sharma

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(M No - A24373)

Place : Delhi

Dated: 25th May 2017

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CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st March 2017

Particulars	Year Ended 31.03.2017 Rs.	Year Ended 31.03.2016 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Finance Cost, Tax and Extra-Ordinary Items	266,15,818.05	171,62,324.79
Adjustment for		
Loss on dispose of fixed assets	7,447.00	-
Depreciation	67,73,316.00	39,23,790.00
Operating Profit before Working Capital Changes	333,96,581.05	210,86,114.79
(Increase)/Decrease in Long Term Loans & Advances	(4,66,720.00)	(16,08,780.00)
(Increase)/Decrease in Short Term Loans and Advances	(184,31,893.29)	(198,95,414.46)
(Increase)/Decrease in Other Current Assets	7,15,815.87	(206,97,810.07)
(Increase)/Decrease in Other Non - Current Assets	(662,92,663.82)	(117,13,723.67)
(Increase)/Decrease in Trade Receivables	(190,65,928.50)	-
Increase/(Decrease) in Long Term Provisions	33,00,269.00	41,74,696.00
Increase/(Decrease) in Short Term Provisions	19,83,774.00	2,91,083.00
Increase/(Decrease) in Other Current Liabilities	98,66,618.67	369,69,161.73
Increase/(Decrease) in Trade Payables	110,67,884.94	124,36,059.57
Cash Generated from Operations	(439,26,262.08)	210,41,386.89
Tax Expense	(82,52,640.00)	(30,98,040.00)
Net Cash from Operating Activities	(521,78,902.08)	179,43,346.89
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/ Sale of Fixed Assets (Net)	(92,53,250.00)	(63,57,181.50)
Net Cash from Investing Activities	(92,53,250.00)	(63,57,181.50)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issue of Share Capital (Net)	-	497,30,860.00
Proceeds from Long Term Borrowings (Net)	326,59,751.25	117,73,648.32
Interest Paid on Borrowing (Net)	(99,30,691.64)	(97,12,560.51)
Net Cash from Financing Activities	227,29,059.61	517,91,947.81
Net Increase in Cash & Cash Equivalents (A+B+C)	(387,03,092.47)	633,78,113.20
Cash and Cash Equivalents as on 01.04.2016	1682,87,920.64	1049,09,807.44
Cash and Cash Equivalents as on 31.03.2017	1295,84,828.17	1682,87,920.64

CASH & CASH EQUIVALENTS COMPRISES OF:

Particulars	Year Ended 31.03.2017 Rs.	Year Ended 31.03.2016 Rs.
Cash and Cash Equivalents:		
Cash on Hand	192,77,114.00	150,83,573.00
Balance with banks in current accounts	999,14,546.17	1359,66,847.64
Term deposits for remaining maturity of 3 months or less	103,93,168.00	172,37,500.00
	1295,84,828.17	1682,87,920.64

Note No. 1 to 38 form an integral part of the Financial Statements.

As per our report of even date attached

For Rajeev Bhatia & Associates

Chartered Accountants

Firm Registration No. 021776N

Rajeev Bhatia
Proprietor
M. No. 089018



Place : Delhi
Dated: 25th May 2017

For and on behalf of the Board of Directors

H P Singh
(Director)
(DIN - 00333754)

Sanjeev Vij
(Chief Executive Officer)

Anureet H P Singh
(Director)
(DIN - 00332588)

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

NOTES TO THE FINANCIAL STATEMENTS

Note No.1 GENERAL INFORMATION

Taraashna Services Limited ("The Company") is a public limited company incorporated under the provision of the Companies Act, 1956, existing company within the purview of Companies Act, 2013.

The constitution of company has been converted from "Private Limited" to "Public Limited" vide ROC Certificate SRN G42423050 dated 12th May'2017 and henceforth name of the said company from 12th May'2017 has been changed to "Taraashna Services Limited".

The Company is engaged in the Business Correspondent ("BC") activity with various banks / NBFCs. Business correspondents are the intermediaries on behalf of banks / NBFCs for financial inclusion. The BC's prime activities as per Reserve Bank of India are facilitation of deposits and loan on behalf of banks / NBFCs and creating awareness about the various banking services among the masses and at the places where banking has not have its penetration. The Company executed agreements with Yes Bank Limited, Ratnakar Bank Limited, DCB Bank Limited, Reliance Capital Limited, Indusind Bank Limited and IFMR to work as BC / Service Provider. The Company was registered on 22nd May 2012 and started its operation in June 2012. The Company is presently operating in the states of Rajasthan, Madhya Pradesh, Gujarat, Maharashtra, Punjab, Uttar Pradesh, Chhattisgarh and Bihar.

Note No.2 SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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.

B. USE OF ESTIMATES

The preparation of financial statements is in conformity with the Indian Generally Accepted Accounting Principles (GAAP) and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

Further all assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and the other criteria set out in Schedule III to the Companies Act, 2013.

C. TANGIBLE ASSETS – PROPERTY, PLANT & EQUIPMENT

All Tangible assets owned by the Company are stated at historic cost less accumulated depreciation.



D. INTANGIBLE ASSETS

Intangible Assets are capitalized and amortized in accordance with Accounting Standard – 26 (Intangible Assets) as notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

E. DEPRECIATION/ AMORTISATION

Depreciation/ Amortisation is provided on Written Down Value Method as prescribed in Schedule II of the Companies Act, 2013 on the basis of useful life of assets and residual value.

F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purposes of Cash Flow Statement comprises cash on hand, demand deposits with banks and other short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash Flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items, interest 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.

G. REVENUE RECOGNITION

Income is accounted for on accrual basis. Specific income have been accounted for as under:

- a. **Service Charges:** Service charges are recognized as income as and when these become due.
- b. **Interest income on deposits** with bank is recognized on a time proportion accrual basis taking into account the amount outstanding and the rate applicable.
- c. **Miscellaneous Income:** Dividend Income and Miscellaneous Income are accounted for as and when accrued.

H. BORROWING COSTS

Borrowing costs, which are directly attributable to the acquisition /construction of fixed assets, till the time such assets are ready for intended use, are capitalized as a part of the cost of assets. Other borrowing costs that the Company incurred in connection with borrowing of the funds are recognized as an expense in the Statement of Profit and Loss in the year in which they are incurred or accrued.

I. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are recorded at the rates of exchange prevalent on the date of transaction. Exchange difference, if any, arising from foreign currency transaction, in relation to monetary items, are dealt in the Statement of Profit & Loss at year end rates.



J. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that the outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability. Contingent liabilities are not recognized but are disclosed in the notes.

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

K. SHARE ISSUE EXPENSES

All expenses pertaining to issue of equity share capital are adjusted /written off with Securities Premium Account, if any, after the date of allotment as per the provisions of the Companies Act, 2013

L. EMPLOYEES RETIREMENT BENEFITS

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

a) Defined Contribution Plan

Contributions to Provident Fund and Employee State Insurance are being paid and accounted as per the respective rules and debited to Statement of Profit and Loss. The Company has no further obligations beyond its monthly contributions.

- b) **Short-term employee benefits** including Salaries, short term compensated absences (such as annual leave to be adjusted in subsequent years) where the absences are expected to adjusted 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.

c) Long term employee benefits

Liability for compensated absences and Gratuity provided based on actuarial valuation carried out at the end of the financial year using Projected Unit Credit Method. Gratuity is funded with the Life Insurance Corporation of India through The Irrevocable Trust, whereas Compensated Absence is not funded. 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 benefits obligation recognized in the balance sheet represents the present value of the defined benefits obligation as adjusted for unrecognized past service cost, as redeemed by the fair value of scheme assets.



Compensated absences which are not expected to adjust within 12 months after the end of period in which the employee rendered the related services are recognized as a long term liability at the present value of the defined benefits obligation as at the balance sheet date. Actuarial gains and losses for defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit method made at the end of each financial year. Actuarial gains and losses for defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

M. IMPAIRMENT OF ASSETS

The Company assesses at each balance sheet date whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss in the year in which the asset is identified as impaired. The Impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

N. 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 expense is made based on the estimated tax liability as per the appropriate provisions of the Income Tax Act, 1961 and considering the previous final assessment orders. The provision for current tax for the year will be net off any provisions related to that year.
- (ii) Excess/short provision of income tax relating to earlier years is disclosed separately in the accounts.
- (iii) Deferred Tax Assets and Liabilities for timing differences between tax profit and book profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on balance sheet date. Deferred Tax Assets are recognized to the extent there is reasonable certainty that these assets can be realized in future. At each Balance Sheet date, the Company reassesses unrecognized deferred tax assets, if any.
- (iv) Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets and liabilities representing the current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

O. EARNING PER SHARE

In determining earning per share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earning per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value. Dilutive potential equity shares are deemed converted at the beginning of the period, unless issued at a later date. The number of shares and potential dilutive equity shares are adjusted for any stock splits and bonus shares issued effected prior to the approval of the financial statements by the board of directors.



P. LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the Lessor are classified 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. The Company leases certain tangible assets and such leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.



Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
3	Share Capital				
	Authorised				
	100,00,000 Equity Shares of Rs.10/- each (Previous Year 100,00,000 Equity Shares of Rs.10/- each)		1000,00,000.00		1000,00,000.00
	Issued				
	90,82,732 Equity Shares of Rs. 10/- each (Previous Year 90,82,732 Equity Shares of Rs. 10/- each)		908,27,320.00		908,27,320.00
	Subscribed				
	90,82,732 Equity Shares of Rs. 10/- each (Previous Year 90,82,732 Equity Shares of Rs. 10/- each)		908,27,320.00		908,27,320.00
	Paid-up				
	90,82,732 Equity Shares of Rs. 10/- each (Previous Year 90,82,732 Equity Shares of Rs. 10/- each)		908,27,320.00		908,27,320.00
			908,27,320.00		908,27,320.00
	Reconciliation of equity shares of the face value of Rs. 10/- each				
	Authorised	No.	Rs.	No.	Rs.
	At the beginning of the accounting period	100,00,000	1000,00,000.00	100,00,000	1000,00,000.00
	Additions during the year	-	-	-	-
	At the end of the accounting period	100,00,000	1000,00,000.00	100,00,000	1000,00,000.00
	Issued				
	At the beginning of the accounting period	90,82,732	908,27,320.00	76,54,161	765,41,610.00
	Additions during the year	-	-	14,28,571	142,85,710.00
	At the end of the accounting period	90,82,732	908,27,320.00	90,82,732	908,27,320.00
	Subscribed				
	At the beginning of the accounting period	90,82,732	908,27,320.00	76,54,161	765,41,610.00
	Additions during the year	-	-	14,28,571	142,85,710.00
	At the end of the accounting period	90,82,732	908,27,320.00	90,82,732	908,27,320.00
	Paid up				
	At the beginning of the accounting period	90,82,732	908,27,320.00	76,54,161	765,41,610.00
	Additions during the year	-	-	14,28,571	142,85,710.00
	At the end of the accounting period	90,82,732	908,27,320.00	90,82,732	908,27,320.00

- During the year Satin Creditcare Network Limited has purchased 87.83% of shares of Taraashna Services Limited. Post transfer Taraashna Services Limited became 87.83% subsidiary of Satin Creditcare Network Limited.

2. Details of Shares held by Holding Company

S. No.	Name of Shareholder	As at 31.03.2017		As at 31.03.2016	
		No. of shares	Percentage Holding	No. of shares	Percentage Holding
1	Satin Creditcare Network Limited	79,77,239	87.83	0	0

- The detail of shareholders holding more than 5% shares is as under:

S. No.	Name of Shareholder	As at 31.03.2017		As at 31.03.2016	
		No. of shares	Percentage Holding	No. of shares	Percentage Holding
1	MV Mauritius Limited	11,05,493	12.17	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.

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
4	Reserves & Surplus				
	Securities Premium Reserve				
	At the beginning of the accounting period	531,40,177.00		176,95,027.00	
	Additions during the year			357,14,275.00	
	Less: Share issue expenses			2,69,125.00	
	At the end of the accounting period		531,40,177.00		531,40,177.00
	Statement of Profit & Loss				
	At the beginning of the accounting period	331,58,383.44		279,11,024.76	
	Additions / (Deductions) during the year	102,12,535.93		52,47,358.68	
	At the end of the accounting period		433,70,919.37		331,58,383.44
			965,11,096.37		862,98,560.44

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
5	Long term borrowings				
	Secured Loans				
	From Others			4,10,882.00	
	(Secured by hypothecation of asset)				
	(Repayable in 36 (Previous Year 36) monthly installment of Rs. 39,438/- (Previous Year 39,438/-) each commencing from 5th March, 2015. Last installment is due on 5th Feb, 2018.				
	Unsecured Loans				
	From Others	320,89,662.00		93,82,684.00	
			320,89,662.00		97,93,566.00

The Company has availed term loans facilities from other institutions as per details below:

S No.	Particulars	Term of Repayment	Long Term	Current Maturity	Current Year	Previous Year
1.	Long Term Loan - Secured	36 EMIs of Rs. 39,438.00.	0.00	4,10,889.00	4,10,889.00	8,14,531.00
2.	Long term Loan - Unsecured	In 12 to 24 Installments	3,20,89,662.00	3,13,52,271.00	6,34,41,933.00	3,63,73,593.00



Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
6	Long-Term provisions				
	Provision for Leave Encashment	70,68,708.00		30,65,218.00	
	Provision for Gratuity	25,36,443.00		32,39,664.00	
			96,05,151.00		63,04,882.00

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
7	Short term borrowings				
	Secured Loans				
	From RBL Bank Ltd. (Working Capital Limit, secured against book debts)	236,45,014.22		132,94,613.32	
	Unsecured Loans				
	From Indusind Bank Ltd. (CC Limit to be used for BC arrangement)	1,450.00			
	From Bank	11,804.35			
			236,58,268.57		132,94,613.32

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

S No.	Particulars	Term of Repayment	Current Year	Previous Year
1.	CC Limit - Secured	Account to be within limit.	2,36,45,014.22	1,32,94,613.32
2.	CC Limit – Unsecured	Account to be within limit.	1,450.00	0.00
3.	From Bank	As and when due	11,804.35	0.00

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
8	Trade payables				
8.1	Due to Micro and Small Enterprises (Refer Note No. 36)				
8.2	Other Payables	1119,01,805.00		1008,33,920.06	
			1119,01,805.00		1008,33,920.06

Trade payables includes an amount of Rs. 1119,01,805.00/- (Previous year Rs. 1008,33,920.06/-) , primarily payable to the banks and NBFCs on account of the installment collected from their customers and amount pending disbursement on behalf of the banks.



Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
9	Other Current Liabilities				
	Current maturity of long term borrowings-Secured From Others	4,10,889.00		4,03,649.00	
	Current maturity of long term borrowings-Unecured From Others	313,52,271.00		269,90,909.00	
	Expenses Payable	445,49,563.80		402,32,223.93	
	Statutory Liabilities Payable	53,19,694.80		44,82,596.00	
	Interest accrued but not due on loan	5,43,076.80		1,99,498.80	
			821,75,495.40		723,08,876.73

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

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
10	Short-Term provisions				
	Provision for Leave encashment	20,64,674.00		4,10,985.00	
	Provision for Gratuity	3,30,085.00			
			23,94,759.00		4,10,985.00

The disclosures required under Accounting Standard 15 "Employee Benefits" as required under The Companies Act, 2013 and Rules framed thereunder and other applicable laws are given below:

A. Provident fund

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized are charged off for the year are as under:

	Current Year In Rupees	Previous Year In Rupees
Employer's Contribution to Provident Fund	134,65,297.00	85,16,178.00

B. Gratuity

The obligation for gratuity is recognized based on the present value of obligation based on actuarial valuation using the Projected Unit Credit Method, which recognizes 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. The detail of the same is under:



	Current Year In Rupees	Previous Year In Rupees
Gratuity (Unfunded)		
a. Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit obligation at beginning of the year	29,69,849.00	10,99,921.00
Current Service Cost	28,22,918.00	12,82,222.00
Interest Cost	2,16,799.00	87,994.00
Actuarial (gain)/loss	(1,73,189.00)	7,69,527.00
Benefits paid	(-)	(-)
Defined Benefit obligation at year end	58,36,377.00	32,39,664.00
b. Reconciliation of opening and closing balances of		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	62,785.00
Contribution	-	32,02,962.00
Actuarial gain/(loss)	-	-
Employer contribution	-	-
Benefits Paid	-	-
Fair value of plan assets at year end	-	32,65,747.00
Actual return on plan assets	-	-
c. Reconciliation of fair value of assets and obligations		
Fair Value of plan assets at year end	50,74,107.75	32,65,747.00
Present value of obligation at year end	28,66,528.00	32,39,664.00
Amount recognized in Balance Sheet	28,66,528.00	32,39,664.00
d. Expenses recognized during the year (Under the head "Payments to and Provisions for Employees)		
Current Service Cost	28,22,918.00	12,82,222.00
Interest Cost	2,16,799.00	87,994.00
Expected return on plan assets	-	62,785.00
Actuarial (gain)/loss	(1,73,189.00)	7,69,527.00
Excess Provisions as per Actuarial Valuation	28,66,528.00	-
Net Cost	-	5,15,978.00
e. Actuarial assumptions		
Mortality Table (L.I.C./IAL)	IAL 2006-08 (Ultimate)	IAL 2006-08 (Ultimate)
Discount Rate (per annum)	8.00%	8.00%
Expected rate of return on plan assets (per annum)	N.A	-
Rate of escalation in salary (per annum)	3.00%	6.00%

Information for the current financial year is based on certification by the independent actuary due to unavailability of actuarial assumptions from Life Insurance Corporation of India under Group Gratuity Cash Accumulation Plan.



C. Leave Encashment

The obligation for leave encashment is recognized based on the present value of obligation based on actuarial valuation using the Projected Unit Credit Method, which recognizes 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. The detail of the same is as under:

	Current Year (Amount in Rs.)	Previous year (Amount in Rs.)
Leave Encashment (Unfunded)		
a. Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit obligation at beginning of the year	34,76,203.00	11,34,729.00
Current Service Cost	47,33,924.00	26,06,578.00
Interest Cost	1,22,881.00	89,644.00
Actuarial (gain)/loss	19,10,577.00	(7,65,673.00)
Benefits paid	(27,63,952.00)	(-)
Defined Benefit obligation at year end – Long Term	70,68,708.00	30,65,278.00
Defined Benefit obligation at year end – Short Term	20,64,674.00	4,10,925.00
b. Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Employer contribution	-	-
Benefits Paid	(27,63,952.00)	-
Fair value of plan assets at year end	-	-
Actual return on plan assets	-	-
c. Reconciliation of fair value of assets and obligations		
Fair Value of plan assets at year end	-	-
Present value of obligation at year end	91,33,382.00	34,76,203.00
Amount recognized in Balance Sheet	91,33,382.00	34,76,203.00
d. Expenses recognized during the year (Under the head "Payments to and Provisions for Employees)		
Current Service Cost	47,33,924.00	26,06,578.00
Interest Cost	1,22,881.00	89,644.00
Expected return on plan assets	-	-
Actuarial (gain)/loss	19,10,577.00	(7,65,673.00)
Net Cost for Long Term Liability	67,67,382.00	19,30,549.00
Net Cost for Short Term Liability	16,53,749.00	2,93,150.00



e. Actuarial assumptions

Mortality Table (IAL)

IAL 2006-08
(Ultimate)

IAL 2006-08
(Ultimate)

Discount Rate (per annum)

7.30%

7.90%

Expected rate of return on plan assets (per annum)

-

-

Rate of escalation in salary (per annum)

3.00%

3.00%

Note No. 11

(Amount in Rs.)

Tangible Assets - Property, Plant & Equipment

Particulars	Gross Block				Depreciation				Net Block	
	As At	Addition/	Sale /	As At	As At	For The	Adj./Written	As At	WDV On	WDV On
	01.04.2016	Adj.	Adj.	31.03.2017	01.04.2016	Period	Back	31.03.2017	31.03.2017	31.03.2016
Plant & Equipment	56,66,070.50	18,96,131.19	-	75,62,201.69	31,81,511.82	22,27,059.00	-	54,08,570.82	21,53,630.87	24,84,558.68
Office Equipment	20,62,208.00	16,98,161.00	7,900.00	37,52,469.00	9,57,397.00	9,91,194.00	4,407.00	19,44,184.00	18,08,285.00	11,04,811.00
Furniture & Fixtures	70,98,340.00	36,17,349.50	16,202.00	106,99,487.50	20,78,948.81	17,75,954.00	8,298.00	38,46,604.81	68,52,884.00	50,19,391.19
Vehicle	16,60,606.00	-	-	16,60,606.00	5,65,507.00	3,41,997.00	-	9,07,504.00	7,53,102.00	10,95,099.00
Total	164,87,224.50	72,11,641.69	24,102.00	236,74,764.19	67,83,364.63	53,36,204.00	12,705.00	121,06,863.63	115,67,901.87	97,03,859.87
Previous Year	8875712.00	76,11,512.50	-	164,87,224.50	3343914.63	3439450.00	-	67,83,364.63	97,03,859.87	55,31,797.37

Note No. 12

(Amount in Rs.)

Intangible Assets

Particulars	Gross Block				Depreciation				Net Block	
	As At	Addition/	Sale /	As At	As At	For The	Adj./Written	As At	WDV On	WDV On
	01.04.2016	Adj.	Adj.	31.03.2017	01.04.2016	Period	Back	31.03.2017	31.03.2017	31.03.2016
Software	12,52,206.00	20,45,557.00	-	32,97,763.00	6,40,952.00	14,37,112.00	-	20,78,064.00	12,19,699.00	6,11,254.00
Total	12,52,206.00	20,45,557.00	-	32,97,763.00	6,40,952.00	14,37,112.00	-	20,78,064.00	12,19,699.00	6,11,254.00
Previous Year	5,91,756.00	6,60,450.00	-	12,52,206.00	1,56,612.00	4,84,340.00	-	6,40,952.00	6,11,254.00	4,35,144.00

Note No. 13

(Amount in Rs.)

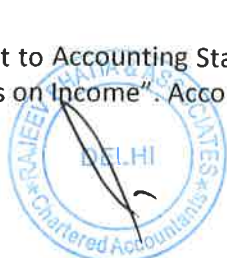
Capital Work-in-Progress

Particulars	Gross Block				Depreciation				Net Block	
	As At	Addition/	Sale /	As At	As At	For The	Adj./Written	As At	WDV On	WDV On
	01.04.2016	Adj.	Adj.	31.03.2017	01.04.2016	Period	Back	31.03.2017	31.03.2017	31.03.2016
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Previous Year	19,14,781.00	7,15,589.00	26,30,370.00	-	-	-	-	-	-	19,14,781.00

(Amount In Rs.)

Note No.	Particulars			
14	Deferred Tax Assets/(Liabilities)			
	Timing difference on account of	As at 31.03.2016	(Liability)/Assets / Movements during the period	As at 31.03.2017
	Depreciation	4,18,786.99	5,44,062.07	9,62,849.06
	Provision on gratuity created but not claimed in Income Tax	3,51,070.75	(5,88,378.07)	(2,37,307.32)
	Provision on leave encashment created but not claimed in Income Tax	11,49,232.71	18,70,263.38	30,19,496.09
	Expenditure on account of Authorised Share Capital	67,386.86	(45,897.86)	21,489.00
	Total Deferred Tax Assets	19,86,477.31	17,80,049.52	37,66,526.83

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 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
15	Long Term Loans & Advances Security Deposits - Unsecured	30,52,064.00		25,85,344.00	
			30,52,064.00		25,85,344.00

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

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
16	Other Non-Current Assets Long term deposits having remaining maturity of more than 1 year Other - Employees group Gratuity Trust	805,41,630.82		177,23,645.09	
			35,84,336.00		33,04,000.00
			841,25,966.82		210,27,645.09

The total term deposits of the Company with Banks / NBFC amounts to Rs. 17,96,36,050.90 (Previous Year Rs. 12,04,68,055.08) out of which Rs. 8,05,41,630.82 (Previous Year Rs. 1,77,23,645.09) is shown as other non-current assets and Rs. 990,94,420.08 (Previous Year Rs. 10,27,44,409.99) 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 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
17	Trade Receivables Outstanding more than 6 months Others	598,79,293.50		408,13,365.00	
			598,79,293.50		408,13,365.00

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

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
18	Cash & Cash Equivalents: Cash on Hand Balance with banks in current accounts Term deposits for remaining maturity of 3 months or less	192,77,114.00		150,83,573.00	
		999,14,546.17		1359,66,847.64	
		103,93,168.00		172,37,500.00	
	Other Bank Balances Term deposits for remaining maturity of more than 3 months and upto 1 year	887,01,252.08		855,06,909.99	
			2182,86,080.25		2537,94,830.63



Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
19	Short Term Loans & Advances - Unsecured				
	Staff Advance	24,87,745.69		21,18,637.45	
	Income Tax (Net of Provisions)	142,36,659.13		269,28,635.29	
	Advances recoverable in cash or in kind or for value to be received	406,54,755.08		98,99,993.87	
			573,79,159.90		389,47,266.61

Note No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
20	Other Current Assets				
	Interest accrued but not due	79,40,440.17		78,52,345.04	
	Prepaid Expenses	19,46,425.00		27,50,336.00	
			98,86,865.17		106,02,681.04

Note No.	Particulars	Year Ended 31.03.2017		Year Ended 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
21	Revenue from operations				
	Income from Bussiness Correspondents Operations	3867,43,864.00		3085,55,830.00	
	Interest on Fixed Deposit	138,87,586.53		115 26,028.23	
			40,06,31,450.53		3200,81,858.23

The company signed agreements with Yes Bank Ltd, Ratnakar Bank Ltd, Reliance Capital Ltd., DCB Bank Limited, Indusind Bank Limited and IFMR Capital Finance Private Limited 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 31.03.2017		Year Ended 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
22	Other Income				
	Other Income	41,95,114.41		25,66,302.66	
			41,95,114.41		25,66,302.66

Note No.	Particulars	Year Ended 31.03.2017		Year Ended 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
23	Finance Cost				
	Finance Charges	99,30,691.64		97,12,560.51	
			99,30,691.64		97,12,560.51

Note No.	Particulars	Year Ended 31.03.2017		Year Ended 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
24	Employee Benefit Expenses				
	Salaries & Other Incentives	2166,57,103.76		1585,40,925.00	
	Contribution to Provident & Other Funds	182,77,614.00		110,41,034.00	
	Gratuity	28,66,528.00		22,42,980.00	
	Employee Welfare Expenses	32,09,327.56		66 40,807.00	
			2410,10,573.32		1784,64,846.00



Note No.	Particulars	Year Ended 31.03.2017		Year Ended 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
25	Other Expenses				
	Conveyance & Travelling	178,63,363.79		269,92,042.00	
	Direct Operational Expenses	97,341.00		5,24,881.00	
	Printing & Stationary	64,57,907.00		133,47,573.30	
	Communication	82,52,941.28		41,23,507.00	
	Business Promotion	1,64,311.00		3,16,142.00	
	Legal & Professional Charges	114,79,899.00		305,26,129.00	
	Insurance Charges	30,90,301.86		18,53,351.00	
	Office Expenses	146,59,834.24		93,09,836.00	
	Rent	183,79,293.00		115,32,232.00	
	Advertisement Expenses	1,50,756.00		5,88,894.00	
	Auditors' Remuneration	1,10,000.00		1,00,000.00	
	Rates & Taxes	1,13,316.00		4,36,624.00	
	Miscellaneous Expenses	15,05,395.80		52,38,326.02	
	Guarantee Fees	44,74,127.00		13,17,386.00	
	Loss on sale of Fixed Asset	7,447.00		-	
	Bank Charges	60,48,184.60		32,13,749.78	
	Expenses/ Loss on account of Guarantees	279,64,505.00		132,96,485.00	
	Write Off due to fraud	72,57,934.00		-	
			1280,76,857.57		1227,17,158.10

1. For the period of April'16 to July'16 an amount of Rs. 1,00,65,562.00 (Previous Financial Year Rs. 2,70,38,007.00) included in Legal & Professional Charges has been paid to Satin Creditcare Network Limited in pursuance of Service Agreement between Satin Creditcare Network Limited and Taraashna Services Limited executed on 20th December 2013 where Satin Creditcare Network Limited agreed to provide its expertise, knowledge, skill and guidance to Taraashna Services Limited to enable the latter to undertake its business and operations in effective manner. The agreement stand terminated wef 01st Aug'2016 and subsequently the Company has no obligation towards the payment of said professional charges.

2. Auditors' remuneration comprises the following:

(Amount in Rs.)

Particulars	Current Year	Previous Year
Audit Fees	75,000.00	70,000.00
Tax Audit Fees	35,000.00	30,000.00
Total	1,10,000.00	1,00,000.00

Note No.	Particulars	Year Ended 31.03.2017		Year Ended 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
26	Corporate Social Responsibility				
	Expense for CSR	23,50,000.00			
			23,50,000.00		



Note No.27- Commitments

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

Note 28- Directors' Remuneration

Directors' remuneration comprises the following:

(Amount in Rs.)		
Particulars	Current Year	Previous Year
Remuneration	15,00,000.00	30,00,000.00
Contribution to Provident Fund	1,79,000.00	3,60,000.00
Total	16,79,000.00	33,60,000.00

During the current financial year directors' remuneration have been paid from 01st April'16 to 31st Aug'16.

Note 29- Contingent Liability

(A) Assets Under Management (AUM) – Company is in the activity of Business Correspondent. Company provides First/ Second Loss Default Guarantees in the form of fixed deposit / guarantees for AUM as per the agreement signed with various Banks / NBFCs. The Company incurred a loss of Rs. 279.65 lacs (Previous Year Rs. 132.96 lacs) on account of these guarantees. The same has been charged to the Statement of Profit and Loss.

The Institution wise AUM as on 31st March 2017 are as follows:

(Amount in Rs. Lacs)			
S No.	Name of Chanel Partner	Assets under Management (As on 31.03.2017)	Assets under Management (As on 31.03.2016)
1	Yes Bank Ltd.	10,761.19	14,892.78
2	RBL Bank Ltd.	23,029.03	19,283.36
3	Reliance Capital Ltd.	6,966.92	762.30
4	DCB Bank Ltd.	3,696.51	-
5	Indusind Bank Ltd.	415.42	-
6	IFMR Capital Finance Private Ltd.	107.36	-
	Total	44,976.43	34,938.44



(B) Contingent Liability: On account of guarantees given by the Company:–

Particulars	(Rs. in Lacs)	
	As at 31.03.2017	As at 31.03.2016
On account of First Loss Default Guarantees given to Yes Bank Ltd. in form of FD (5% of Rs. 11,351.93 Lacs) {Previous Year (5% of Rs. 14,892.78 Lacs)}	567.60	744.64
On account of First Loss Default Guarantees given to DCB Bank Ltd. in form of FD (5% of Rs. 3,715.86 Lacs) {Previous Year (NIL)}	185.79	
On account of First Loss Default Guarantees given to RBL Bank Ltd. in form of FD (2% of Rs. 22,844.21 Lacs) {Previous Year (2% of Rs. 19,283.36 Lacs)}	456.88	385.67
On account of First Loss Default Guarantees given to RBL Bank Ltd. in form of Guarantee (3% of Rs. 22,844.21 Lacs) {Previous Year (3% of Rs. 19,283.36 Lacs)}	685.33	578.50
On account of Second Loss Default Guarantees given to Reliance Capital Ltd. in form of FD (5% of Rs. 6,997.13 Lacs) {Previous Year (5% of Rs. 1,029.14 Lacs)}	349.86	38.15
On account of First Loss Default Guarantees given to Indusind Bank Ltd. in form of FD (5% of Rs. 415.42 Lacs) {Previous Year (NIL)}	20.77	
On account of First Loss Default Guarantees given to Indusind Bank Ltd. in form of Corporate Guarantee (3% of Rs. 415.42 Lacs) {Previous Year (NIL)}	12.46	
On account of First Loss Default Guarantees given to IFMR Capital in form of Corporate Guarantee (5% of Rs. 107.36 Lacs) {Previous Year (NIL)}	5.37	
On account of First Loss Default Guarantees given to RBL Bank Ltd. in form of FD (3% of Rs. 176.17 Lacs) {Previous Year (NIL)}	5.29	
On account of First Loss Default Guarantees given to RBL Bank Ltd. in form of Corporate Guarantee (2% of Rs. 176.17 Lacs) {Previous Year (NIL)}	3.52	
On account of First Loss Default Guarantees given to RBL Bank Ltd. in form of FD (3% of Rs. 58.82 Lacs) {Previous Year (NIL)}	1.76	
Total	2,294.63	1,746.96

Value of contingent liabilities as on March 31, 2017 is stated at Rs. 2,294.63 Lacs. This is primarily due to First/Second Loss Default Guarantees on account of outstanding amount of loans to various borrowers of Banks / NBFCs for which the Company is acting as a Business Correspondent. These contingent liabilities are being calculated on the outstanding loans (Portfolio) as on March 31, 2017 irrespective of losses already incurred by the Company on account of non-recovery of installments.

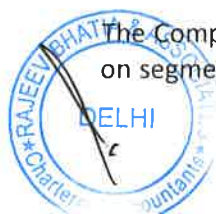
In the opinion of the management of the Company, the overall contingent liabilities are unlikely to exceed the above mentioned amount as on March 31, 2017.

Note 30 - Embezzlement of Cash by Employees

During the financial year, two instances of embezzlement of cash have been detected amounting to Rs. 85.01 Lacs. Out of which Rs. 12.44 Lacs have been recovered. Despite efforts made by the Company, balance amount of Rs. 72.57 Lacs could not be recovered and have been written off during the year. Follow up towards recovery from errant employees is being done. Recovery amount, if any, will be considered as income as and when received.

Note 31- Segment Reporting

The Company mainly operates in only one segment - Business Correspondent, hence the Accounting Standards – 17, on segment reporting is not applicable to the Company.



Note 32- 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 (Amount in Rs.)	Closing Balance (Amount in Rs.)	Provision for Doubtful debt, if any	Amount Written back, if any
1	Satin Creditcare Network Limited	Influence of KMP & Relatives	Paid on account of management Services	1,00,65,562.00 (2,70,38,007.00)	0.00 (0.00)	NIL	NIL
2	Anureet HP Singh	Director	Director Remuneration	16,79,000.00 (33,60,000.00)	0.00 (0.00)	NIL	NIL
3	Niryas Food Products Private Limited	Influence of KMP & Relatives	Received amount of loan installment deducted from creditors of milk products	6,07,121.00 (0.00)	2,148.00 (0.00)	NIL	NIL
4	Sanjeev Vij	CEO - KMP	Remuneration Paid	70,23,000.00 (44,92,117.00)	0.00 (4,17,600.00)	NIL	NIL
5	Prashant Sharma	Company Secretary - KMP	Remuneration Paid	6,68,400.00 (5,73,144.00)	0.00 (65,986.00)	NIL	NIL

Figures in brackets pertain to previous year.

Note 33- Lease

The disclosure in respect of Accounting for leases as per AS- 19 is as under:-

(Amount in Rs.)		
Particulars	As at 31.03.2017	As at 31.03.2016
Operating lease payments recognized during the year	183,79,293.00	1,15,32,232.00
Minimum lease obligations:		
- Not later than 1 year	120,99,891.00	57,50,121.00
- Later than 1 year but not later than 5 years	91,50,323.00	37,53,208.00
- Later than 5 years	-	-

Note 34- Foreign Remittance

1. Earning (Remittance inward) in foreign currency:

(Amount in Rs.)		
Nature	Current Year	Previous Year
Share Application Money/Share Capital Received	0.00	1,57,04,990.00
Total	0.00	1,57,04,990.00

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



Note 35- 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 after Tax available for appropriation (Rs.)	102,12,535.93	52,47,358.68
Weighted average number of Equity Shares for computation of Basic Earnings Per Share	90,82,732	84,03,575
Basic Earnings Per Share (Rs.)	1.12	0.62
Weighted average number of Equity Shares for computation of Diluted Earnings Per Share	90,82,732	84,03,575
Diluted Earnings Per Share (Rs.)	1.12	0.62

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

Particulars	Current Year	Previous Year
Basic Earnings Per Share (Rs.)	1.12	0.62
Effect of outstanding (Rs.)	-	-
Diluted Earnings Per Share (Rs.)	1.12	0.62

Note 36- 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 31st March, 2017 (Previous Year R\$. NIL).

Note 37- Details of holding and transactions in Specified Bank Notes in compliance with MCA Notification No. 244 dated 30th March 2017

Company, being in the business of Business Correspondent with Banks / NBFCs, had, on behalf of Banks only, received Specified Bank Notes (SBNs) during the period from 9th November 2016 to 30th December 2016 as permitted receipts in terms of Gazette Notification No 2652 dated November 8th, 2016 issued by Government of India and Notification No. RBI/2016- 17/112 dated 8th November 2016 by Reserve Bank of India and further Instructions received from Banks, on behalf of whom Company is acting as Business Correspondent. However due to exigencies and time constraint during the said period, denomination wise details of permitted receipts and deposits could not be recorded at branch level



However, except for above, the Company did not receive from anyone any amount in the SBNs after 8th November 2016. Also the SBNs held as on close of 8th November 2016 and received thereafter were not used for any other purposes except for depositing into Banks.

Also Company did not receive any amount after 30th December 2016 and had NIL balance as on close of 30th December 2016 in denomination of SBNs.

Note 38- 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.

As per our report of even date attached.

For Rajeev Bhatia & Associates

Chartered Accountants

Firm Registration No. 021776M


Rajeev Bhatia

Proprietor

M. No. 089018



Place : Delhi

Dated: 25th May 2017

For and on behalf of the Board of Directors


H P Singh

(Director)

(DIN - 00333754)


Sahjeev Vij

(Chief Executive Officer)



Anureet H P Singh

(Director)

(DIN - 00332588)


Prashant Sharma

(Company Secretary)

(M No. - A24373)