

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Taraashna Services Limited**

**Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of **Taraashna Services Limited ("the Company")**, which comprise the balance sheet as at 31 March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. 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 2019 and profit, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibility of Management for 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, changes in equity 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. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of



accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

#### **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 Companies Act, 2013, we give in the Annexure - A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2> As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, Change in Equity 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 31 March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (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:
    - i. The Company does not have any pending litigations which would impact its financial position.



## **Rajeev Bhatia & Associates**

**Chartered Accountants**

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ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**Place of Signature: Gurugram**

**Date: 1 May 2019**

**For Rajeev Bhatia & Associates**

**Chartered Accountants**

**Firm's Registration No. – 021776N**



**Rajeev Bhatia**

**Partner**

**Membership 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 2019)

**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, 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 2019 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 and financial institutions.

#### **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) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.



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**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 u/s 42 of the Companies Act 2013, 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 of Signature: Gurugram

Dated: 1 May 2019

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



Rajeev Bhatia  
Partner  
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 2019)

**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 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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.





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Chartered Accountants

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### **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 2019, 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 of Signature: Gurugram**

**Dated: 1 May 2019**

**For Rajeev Bhatia & Associates**

**Chartered Accountants**

**Firm's Registration No.: 021776N**



**Rajeev Bhatia**  
**Partner**  
**M. No. 089018**



**Taraashna Services Limited (Formerly known as Taraashna Services Private Limited)**

**Balance Sheet as at March 31, 2019**

(All amounts in Rupees in lakhs, unless stated otherwise)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>ASSETS</b>				
<b>Non current assets</b>				
Property, plant and equipment	4	126.95	200.28	115.68
Other intangible assets	5	1.35	4.49	12.20
<b>Financial assets</b>				
Loans	6	10.74	8.34	14.98
Other financial assets	7	1,868.96	1,628.06	821.06
Current tax assets (net)	8	819.43	781.17	524.76
Deferred tax assets (net)	9	224.75	371.50	56.33
Other non-current assets	10	3.60	28.71	17.88
<b>Total non current assets</b>		<b>3,055.78</b>	<b>3,022.55</b>	<b>1,562.89</b>
<b>Current assets</b>				
<b>Financial assets</b>				
Trade receivables	11	586.07	1,158.46	589.85
Cash and cash equivalents	12	978.48	1,496.02	1,191.92
Other bank balances	13	1,657.05	722.16	1,054.71
Loans	14	16.31	18.41	9.58
Other financial assets	15	39.11	10.92	24.88
Other current assets	16	124.89	69.53	54.77
<b>Total current assets</b>		<b>3,401.91</b>	<b>3,475.50</b>	<b>2,925.71</b>
<b>TOTAL ASSETS</b>		<b>6,457.69</b>	<b>6,498.05</b>	<b>4,488.60</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	17	1,604.00	1,244.03	908.27
Other equity	18	3,575.45	1,098.48	919.67
<b>Total equity</b>		<b>5,179.45</b>	<b>2,342.51</b>	<b>1,827.94</b>
<b>Non current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	19	18.12	446.62	319.63
Provisions	20	127.71	97.62	78.31
<b>Total non current liabilities</b>		<b>145.83</b>	<b>544.24</b>	<b>397.94</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	21	0.17	8.87	236.58
Trade payables	22			
total outstanding dues of micro enterprises and small enterprises	22.1			
total outstanding dues of creditors other than micro enterprises and small enterprises	22.2	124.70	1,654.67	1,203.80
Other financial liabilities	23	886.89	1,770.94	748.46
Other current liabilities	24	85.99	163.83	53.23
Provisions	25	34.66	12.98	20.65
<b>Total current liabilities</b>		<b>1,132.41</b>	<b>3,611.29</b>	<b>2,262.72</b>
<b>Total liabilities</b>		<b>1,278.24</b>	<b>4,155.53</b>	<b>2,660.66</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>6,457.69</b>	<b>6,498.05</b>	<b>4,488.60</b>

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

This is the balance sheet referred to in our report of even date.

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

Rajeev Bhatia  
Partner  
M.No. 089018




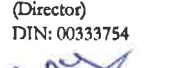
Place: Gurugram  
Date: 01 May 2019

  
Sanjeev V  
(CEO & WTD)  
DIN: 08335310

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

For and on behalf of the Board of Directors of  
Taraashna Services Limited

  
H P Singh  
(Director)  
DIN: 00333754

  
Abhay Thakkar  
(Chief Financial Officer)

**Taraashna Services Limited (Formerly known as Taraashna Services Private Limited)**  
**Statement of Profit and Loss for the year ended March 31, 2019**  
(All amounts in Rupees in lakhs, unless stated otherwise)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>I. Income</b>			
Revenue from operations	26	6,457.36	5,335.46
Other income	27	371.08	50.33
<b>Total income</b>		<b>6,828.44</b>	<b>5,385.79</b>
<b>II. Expenses</b>			
Employee benefits expense	28	3,532.77	3,041.42
Finance costs	29	244.37	234.24
Depreciation and amortisation expense	30	109.81	68.27
Other expenses	31	1,684.72	3,048.96
<b>Total expenses</b>		<b>5,571.67</b>	<b>6,392.89</b>
<b>III. Profit/(Loss) before tax (II-I)</b>		<b>1,256.77</b>	<b>(1,007.10)</b>
<b>IV. Tax expense</b>			
Current tax		270.67	-
Deferred tax expense/(credit)		144.22	(319.16)
Earlier years taxes/(refunds)		-	(3.88)
<b>Total tax expense</b>		<b>414.89</b>	<b>(323.04)</b>
<b>V. Net Profit/(loss) for the year</b>		<b>841.88</b>	<b>(684.06)</b>
<b>VI. Other comprehensive income/(loss)</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		8.72	13.70
Income tax relating to these items		(2.54)	(3.99)
<b>Other comprehensive income/(loss) for the year</b>		<b>6.18</b>	<b>9.71</b>
<b>VII. Total comprehensive income/(loss) for the year</b>		<b>848.06</b>	<b>(674.35)</b>
<b>VIII. Earnings/(Loss) per equity share (EPS)</b>			
Basic/diluted EPS per share (₹)	32	5.79	(6.16)

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

For Rajeev Bhatia & Associates.

Chartered Accountants

Firm's Registration No.: 021776N

Rajeev Bhatia

Partner

M.No.089018

Place: Gurugram

Date: 01 May 2019

For and on behalf of the Board of Directors of

Taraashna Services Limited

Sanjeev V

(CEO & WTD)

DIN: 08335310

Prashant Sharma

(Company Secretary)

(M No. - A24373)

H P Singh

(Director)

DIN: 00333754

Abhay Thakkar

(Chief Financial Officer)

**Taraashna Services Limited (Formerly known as Taraashna Services Private Limited)**  
**Statement of Cash Flows March 31, 2019**  
(All amounts in Rupees in lakhs, unless stated otherwise)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax	1,256.77	(1,007.10)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	109.81	68.27
Interest paid on borrowings	155.25	117.34
Loss on disposal of tangible assets	0.79	12.92
<b>Operating Profit/(loss) Before Working Capital Changes</b>	<b>1,522.62</b>	<b>(808.57)</b>
<b>Changes in working capital:</b>		
<i>Adjustments for (increase)/ decrease in operating assets:</i>		
Trade receivables	572.39	(568.61)
Loans	(0.31)	(2.19)
Other bank balances	(1,175.79)	(474.45)
Other current financial assets	(28.19)	13.96
Other current and non-current assets	(30.25)	(25.59)
<i>Adjustments for (increase)/ decrease in operating liabilities:</i>		
Trade payables	(1,529.97)	450.87
Other current financial liabilities	(620.83)	788.47
Other current liabilities	(77.84)	110.61
Provisions	60.49	25.34
<b>Movement in Operating Assets and Liabilities</b>	<b>(2,830.29)</b>	<b>318.40</b>
<b>Cash generated from operations</b>	<b>(1,307.67)</b>	<b>(490.17)</b>
Less: Income tax paid	(308.94)	(252.52)
<b>Net cash used in operating activities (A)</b>	<b>(1,616.61)</b>	<b>(742.69)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(35.26)	(164.64)
Sale of property, plant and equipment	1.15	6.57
<b>Net cash used in investing activities (B)</b>	<b>(34.11)</b>	<b>(158.07)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of equity share capital (net of issue expenses)	1,988.86	1,188.92
Repayment of long term borrowings (net)	(1,200.59)	(326.91)
Proceeds from long term borrowings	508.86	687.66
Repayment of short term borrowings (net)	(8.70)	(227.72)
Interest paid on borrowings	(155.25)	(117.09)
<b>Net cash flow from financing activities (C)</b>	<b>1,133.19</b>	<b>1,204.86</b>
<b>Net (Decrease)/Increase in cash and cash equivalents (A+B+C)</b>	<b>(517.53)</b>	<b>304.10</b>
Cash and cash equivalents at the beginning of the year	1,496.02	1,191.92
Cash and cash equivalents at the end of the year	978.48	1,496.02
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>	<b>(517.53)</b>	<b>304.10</b>

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

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

Rajeev Bhatia  
Partner  
M.No.089018

Place: Gurugram  
Date: 01 May 2019

For and on behalf of the Board of Directors of  
Taraashna Services Limited

Sanjay V.  
(Chief Executive Officer & Whole Time Director)  
DIN: 08335310

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

H P Singh  
(Director)  
DIN: 00333754

Abhay Thakkar  
(Chief Financial Officer)

**Taraashna Services Limited (Formerly known as Taraashna Services Private Limited)**

**Statement of Changes in Equity March 31, 2019**

(All amounts in Rupees in lakhs, unless stated otherwise)

**A Equity share capital**

Particulars	Balance as at April 1, 2017	Change in equity share capital during the year	Balance as at March 31, 2018	Change in equity share capital during the year	Balance as at March 31, 2019
Equity Share Capital	908.27	335.76	1,244.03	359.97	1,604.00

**B Other equity**

Particulars	Reserves and surplus		Total
	Securities premium	Retained earnings	
Balance as at April 1, 2017	531.40	388.27	919.67
Profit/(Loss) for the year	-	(684.06)	(684.06)
Other comprehensive income for the year	-	9.71	9.71
Addition during the year	853.16	-	853.16
Balance as at March 31, 2018	1,384.56	(286.08)	1,098.48
Profit/(Loss) for the year	-	841.88	841.88
Other comprehensive income for the year	-	6.18	6.18
Addition during the year	1,640.03	-	1,640.03
Less: Share issue expenses	(11.14)	-	(11.14)
Balance as at March 31, 2019	3,013.45	561.98	3,575.43

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

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



Rajeev Bhatia  
Partner  
M.No.089018

Place: Gurugram  
Date: 01 May 2019

For and on behalf of the Board of Directors of  
Taraashna Services Limited

Sanjeev Viji  
(CEO & WTD)  
DIN: 08335310

H P Singh  
(Director)  
DIN: 00333754

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

Abhay Thakkar  
(Chief Financial Officer)

## **Taraashna Services Limited**

### **Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

#### **1. Company overview/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 May 22, 2012 and thereafter converted into Public Limited Company on May 12, 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 ('RBI'), scope of activity of Business Correspondent 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, disbursement 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. Basis of preparation**

##### **Statement of compliance with Indian Accounting Standards (Ind AS)**

These standalone financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for the periods presented in this financial statements.

The financial statements for the year ended March 31, 2019 are the first financial statements, which has been prepared in accordance with Ind AS and other applicable guidelines issued by the Reserve Bank of India ('RBI').

The financial statements up to and for the year ended March 31, 2018 were prepared in accordance with the accounting standard notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) and other applicable guidelines issued by the RBI, which have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS.

As these are the Company's first financial statements prepared in accordance with Ind AS, the Company has applied, First-time Adoption Standard (Ind AS 101) of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 42.

The financial statements for the year ended March 31, 2019 were authorized and approved for issue by the Board of Directors on 1 May 2019.

##### **Historical cost convention**

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

#### **3. Summary of significant accounting policies**

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.





## **Taraashna Services Limited**

### **Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

#### **a) Property, plant and equipment**

##### *Recognition and initial measurement*

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price (including any duties and other applicable tax), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

##### *Subsequent measurement (depreciation method, useful lives and residual value)*

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written-down method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

<b>Asset class</b>	<b>Useful life</b>
Plant and machinery	5-15 years
Office equipment	5 years
Computer equipment	3 years
Furniture and fixtures	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.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

The Company fully depreciates the assets having individual value of Rs. 5,000 or less in the year of acquisition.

##### *De-recognition*

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognised.

##### *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.

##### *Transition to Ind AS*

The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e., April 1, 2017.

#### **b) Intangible assets**

##### *Recognition and initial measurement*

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.



## **Taraashna Services Limited**

### **Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

#### *Subsequent measurement (amortisation)*

Intangible assets are amortised over a period of 3 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

#### *Transition to Ind AS*

The Company has elected to measure all its intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. April 1, 2017.

#### **c) Revenue recognition**

##### *Commission income*

Income from business correspondent services is recognised as and when the services are rendered as per agreed terms and conditions of the contract.

##### *Interest income*

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.

##### *Dividend income*

Dividend income is recognised at the time when the right to receive is established by the reporting date.

##### *Miscellaneous income*

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

#### **d) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended use sale, are capitalised. Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method.

#### **e) Taxation**

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternate tax ("MAT") credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.





## **Taraashna Services Limited**

### **Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

#### **f) Employee benefits**

##### **Short-term employee benefits**

Short-term employee 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.

**Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:**

##### **Defined contribution plans**

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss.

##### **Defined benefit plans**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Where in the employee will receive on retirement is defined by reference to employee's length of service and last drawn salary. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

##### **Other long-term employee benefits**

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed after one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.



## **Taraashna Services Limited**

### **Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

#### **g) Share based payments**

Share based compensation benefits are provided to employees via Satin Creditcare Network Limited ('Holding Company') Employee Stock Option Plans (ESOPs). The employee benefits expense is measured using the fair value of the employee stock options and is recognised over vesting period with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be satisfied. On the exercise of the employee stock options, the employees of the Company will be allotted Holding Company's equity shares.

#### **h) Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

#### **i) Impairment of financial assets**

In respect of financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

#### **j) Cash and cash equivalents and cash flow statements**

Cash comprises cash on 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 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.



**k) Provisions, contingent liabilities and contingent assets**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

**l) Operating leases**

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

**m) Financial instruments**

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

*Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

**Non-derivative financial assets**

*Subsequent measurement*

- i. Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.



## **Taraashna Services Limited**

### **Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

- ii. **Investments in mutual funds** – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

#### *De-recognition of financial assets*

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

#### **Non-derivative financial liabilities**

##### *Subsequent measurement*

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

##### *De-recognition of financial liabilities*

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

#### **Offsetting of financial instruments**

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

#### **n) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (including interest and other finance cost associated with potential equity shares) for the period, attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **o) Segment reporting**

The Company identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly by the executive management ("chief operating decision maker") in deciding how to allocate resources and in assessing performance. The accounting policies adopted for segment reporting are line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship with the operating activities of the segment.



**Taraashna Services Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

**p) Share issue expenses**

All the 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 securities premium account.

**q) Guarantee contracts**

First loss default guarantee contracts are contracts that require the Company to make specified payments to reimburse the bank and financial institution for a loss, it incurs because a specified customer fails to make payments when due, in accordance with the terms of a loan contracts or due to negligence or deficiency of service or non-observance, by the Company, of stipulations and conditions contained in the agreement with respective business partners. Such guarantees are given to banks and financial institutions, for whom the Company acts as 'Business Correspondent'.

On each reporting date, liabilities against these guarantee contracts are measured and recognised in books as per the terms of agreements with respective business partners.

Further, the maximum liability against these guarantee contracts are restricted to the cash outflow agreed in the agreements with respective business partners.

**r) Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

*Significant management judgements*

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

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Classification of leases** – The Company enters into leasing arrangements for taking premises on lease. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

**Provisions** – At each balance sheet date, basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

*Significant estimates*

**Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.



## **Taraashna Services Limited**

### **Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

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

#### **a) Standards issued but not yet effective as on date**

Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after April 1, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

#### **Amendment to Ind AS 12**

The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

#### **Amendment to Ind AS 19**

The amendment to Ind AS 19 requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The Company is evaluating the requirements of the amendments and their impact on the financial statements.

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**Taraashna Services Limited (Formerly known as Taraashna Services Private Limited)**  
**Notes forming part of Financial Statements for the year ending March 31, 2019**  
(All amounts in Rupees in lakhs, unless stated otherwise)

**4 Property, plant and equipment**

<b>Gross Block</b>	<b>Plant &amp; Equipment</b>	<b>Office Equipment</b>	<b>Furniture &amp; Fixtures</b>	<b>Vehicle</b>	<b>Total</b>
<b>Balance as at 01 April 2017</b>	<b>75.62</b>	<b>37.52</b>	<b>106.99</b>	<b>16.61</b>	<b>236.75</b>
Additions	124.67	1.29	2.64	36.06	164.66
Adjustments during the year	(0.33)	(0.29)	(26.54)	(16.61)	(43.77)
<b>Balance as at 31 March 2018</b>	<b>199.96</b>	<b>38.53</b>	<b>83.09</b>	<b>36.06</b>	<b>357.64</b>
Additions	18.79	8.90	7.56	-	35.26
Disposals	(1.70)	(1.22)	(0.46)	-	(3.38)
<b>Balance as at 31 March 2019</b>	<b>217.05</b>	<b>46.21</b>	<b>90.20</b>	<b>36.06</b>	<b>389.52</b>
<b>Accumulated depreciation</b>					
<b>Balance as at 01 April 2017</b>	<b>54.09</b>	<b>19.44</b>	<b>38.47</b>	<b>9.08</b>	<b>121.07</b>
Depreciation charge for the year	27.17	10.28	16.55	6.58	60.57
Adjustment on account of disposals	(0.32)	(0.25)	(12.67)	(11.04)	(24.28)
<b>Balance as at 31 March 2018</b>	<b>80.93</b>	<b>29.47</b>	<b>42.34</b>	<b>4.61</b>	<b>157.36</b>
Depreciation charge for the period	80.39	5.17	11.59	9.82	106.97
Adjustment on account of disposals	(0.71)	(0.98)	(0.06)	-	(1.75)
<b>Balance as at 31 March 2019</b>	<b>160.61</b>	<b>33.66</b>	<b>53.87</b>	<b>14.43</b>	<b>262.57</b>
<b>Net block</b>					
<b>Balance as at 01 April 2017</b>	<b>21.54</b>	<b>18.08</b>	<b>68.53</b>	<b>7.53</b>	<b>115.68</b>
<b>Balance as at 31 March 2018</b>	<b>119.03</b>	<b>9.06</b>	<b>40.75</b>	<b>31.45</b>	<b>200.28</b>
<b>Balance as at 31 March 2019</b>	<b>56.44</b>	<b>12.55</b>	<b>36.33</b>	<b>21.63</b>	<b>126.95</b>

\* Property, plant and equipment have been mortgaged/pledged as security for borrowings, refer note 45.

**(i) Deemed cost of property, plant and equipment**

<b>Particulars</b>	<b>Plant &amp; Equipment</b>	<b>Office Equipment</b>	<b>Furniture &amp; Fixtures</b>	<b>Vehicle</b>	<b>Total</b>
Gross block as at April 1, 2017	75.62	37.52	106.99	16.61	236.75
Accumulated depreciation as at April 1,	54.09	19.44	38.47	9.08	121.07
<b>Net block as at April 1, 2017</b>	<b>21.54</b>	<b>18.08</b>	<b>68.53</b>	<b>7.53</b>	<b>115.68</b>





5 Other intangible assets

Gross Block	Software	Total
Balance as at 1 April 2017	32.98	32.98
Additions	-	-
Adjustments during the year	-	-
Balance as at 31 March 2018	32.98	32.98
Additions	-	-
Disposals	(12.52)	(12.52)
Balance as at 31 March 2019	20.46	20.46
<b>Accumulated depreciation</b>		
Balance as at 1 April 2017	20.78	20.78
Depreciation charge	7.70	7.70
Disposals	-	-
Balance as at 31 March 2018	28.48	28.48
Depreciation charge	2.84	2.84
Disposals	(12.21)	(12.21)
Balance as at 31 March 2019	19.11	19.11
<b>Net block</b>		
Balance as at 1 April 2017	12.20	12.20
Balance as at 31 March 2018	4.49	4.49
Balance as at 31 March 2019	1.35	1.35

(i) Deemed cost of other intangible assets

Particulars	Software	Total
Gross block as at April 1, 2017	32.98	32.98
Accumulated depreciation as at April 1, 2017	20.78	20.78
Net block as at April 1, 2017	12.20	12.20

Note:

The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its intangible assets as its deemed cost as at the date of transition.



**Taraashna Services Limited (Formerly known as Taraashna Services Private Limited)**  
**Notes forming part of Financial Statements for the year ending March 31, 2019**  
(All amounts in Rupees in lakhs, unless stated otherwise)

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>6 Loans (non current financial assets)</b>			
Security deposits (unsecured, considered good)	10.74	8.34	14.98
	<b>10.74</b>	<b>8.34</b>	<b>14.98</b>
<b>7 Other financial assets (non current)</b>			
Term deposits having remaining maturity of more than 1 year	1,868.96	1,628.06	821.06
Note: There are no repatriation restrictions with respect to cash and bank balances as at the end	<b>1,868.96</b>	<b>1,628.06</b>	<b>821.06</b>
<b>8 Current tax assets (net)</b>			
Advance income-tax and tax deducted at source receivable	819.43	781.17	524.76
	<b>819.43</b>	<b>781.17</b>	<b>524.76</b>
<b>9 Deferred tax assets (net)</b>			
<b>Tax effect of items constituting deferred tax assets:</b>			
(a) Employee benefits	42.44	34.18	27.82
(b) Depreciation and amortisation	26.62	11.35	9.63
(c) Carried forward losses	-	278.27	-
(d) Unabsorbed depreciation	-	24.52	-
(e) Others	2.91	-	0.21
(f) Allowance for first loss default guarantee	6.85	23.94	19.79
(g) Minimum alternate tax credit entitlement	145.24	-	-
(h) Measurement of financial assets and financial liabilities at amortised cost	0.69	-	-
	<b>224.75</b>	<b>372.26</b>	<b>57.44</b>
<b>Tax effect of items constituting deferred tax liabilities:</b>			
(i) Measurement of financial assets and financial liabilities at amortised cost	-	0.76	1.12
	<b>-</b>	<b>0.76</b>	<b>1.12</b>
<b>Deferred tax assets/(liabilities) (net)</b>	<b>224.75</b>	<b>371.50</b>	<b>56.33</b>

Notes:

**(i) Movement in deferred tax assets/(liabilities) for year ended March 31, 2019:**

Particulars	As at April 1, 2018	Recognised in other comprehensive income	Recognised statement of profit and loss	As at March 31, 2019
<b>Tax effect of items constituting deferred tax assets:</b>				
(a) Employee benefits	34.18	(2.54)	10.80	42.44
(b) Depreciation and amortisation	11.35	-	15.27	26.62
(c) Carried Forward Losses	278.27	-	(278.27)	-
(d) Unabsorbed Depreciation	24.52	-	(24.52)	-
(e) Provision for first loss default guarantee	23.94	-	(17.08)	6.85
(g) Re-measurement gains/(losses) on defined benefit plans	-	-	-	-
(h) Provision on gratuity	-	-	-	-
(f) Minimum alternate tax credit entitlement	-	-	145.24	145.24
(g) Measurement of financial assets and financial liabilities at amortised cost	-	-	0.69	0.69
(h) Others	-	-	2.91	2.91
	<b>372.26</b>	<b>(2.54)</b>	<b>(144.98)</b>	<b>224.75</b>
<b>Tax effect of items constituting deferred tax liabilities:</b>				
(i) Employee benefits	-	-	-	-
(j) Measurement of financial assets and financial liabilities at amortised cost	0.76	-	(0.76)	-
	<b>0.76</b>	<b>-</b>	<b>(0.76)</b>	<b>-</b>
<b>Net deferred tax asset</b>	<b>371.50</b>	<b>(2.54)</b>	<b>(144.22)</b>	<b>224.75</b>

**(ii) Movement in deferred tax assets/(liabilities) for year ended March 31, 2018:**

Particulars	As at April 1, 2017	Recognised in other comprehensive income	Recognised statement of profit and loss	As at March 31, 2018
<b>Tax effect of items constituting deferred tax assets:</b>				
(a) Employee benefits	27.82	(3.99)	10.34	34.18
(b) Depreciation and amortisation	9.63	-	1.72	11.35
(c) Carried Forward Losses	-	-	278.27	278.27
(d) Unabsorbed Depreciation	-	-	24.52	24.52
(e) Expenditure on account of Authorised Share Capital	0.21	-	(0.21)	-
(f) Provision on incentive	-	-	-	-
(g) First Loss default guarantee expenses	19.79	-	4.15	23.94
(h) Re-measurement gains/(losses) on defined benefit plans	-	-	-	-
	<b>57.44</b>	<b>(3.99)</b>	<b>318.80</b>	<b>372.26</b>
<b>Tax effect of items constituting deferred tax liabilities:</b>				
(i) Provision on gratuity	-	-	-	-
(j) Measurement of financial assets and financial liabilities at amortised cost	1.12	-	(0.36)	0.76
	<b>1.12</b>	<b>-</b>	<b>(0.36)</b>	<b>0.76</b>
<b>Net deferred tax asset</b>	<b>56.33</b>	<b>(3.99)</b>	<b>319.16</b>	<b>371.50</b>



**Taraashna Services Limited (Formerly known as Taraashna Services Private Limited)**  
**Notes forming part of Financial Statements for the year ending March 31, 2019**  
(All amounts in Rupees in lakhs, unless stated otherwise)

<b>10 Other non-current assets</b>			
Employees group gratuity trust	-	23.13	14.80
LIC Group Gratuity Scheme		1.22	
Prepaid expenses	3.60	4.36	3.08
	<b>3.60</b>	<b>28.71</b>	<b>17.88</b>
<b>11 Trade receivables</b>			
Trade receivables (unsecured, considered good)	586.07	1,158.46	589.85
Less: Allowance for doubtful debts	-	-	-
	<b>586.07</b>	<b>1,158.46</b>	<b>589.85</b>
<b>12 Cash and cash equivalents</b>			
<b>Balances with banks:</b>			
On current account	847.94	1,317.13	999.15
Cash in hand	30.51	178.89	192.77
Sub total (A)	<b>878.45</b>	<b>1,496.02</b>	<b>1,191.92</b>
<b>Term deposits</b>			
Term deposits for original maturity of 3 months or less	100.03	-	-
Sub total (B)	<b>100.03</b>	<b>-</b>	<b>-</b>
Total (A + B)	<b>978.48</b>	<b>1,496.02</b>	<b>1,191.92</b>
Note: There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting year and comparative years.			
<b>13 Other bank balances</b>			
Deposits with original maturity more than three months but less than twelve months*	-	-	-
Term deposits for remaining maturity of 3 months or less	245.12	339.58	103.93
Term deposits for remaining maturity of more than 3 months and upto 1 year	1,411.93	382.58	950.78
	<b>1,657.05</b>	<b>722.16</b>	<b>1,054.71</b>
Note: The total term deposits of the Company with Banks amounts to Rs. 3,626.04 lakhs (Previous Year Rs. 2,350.22 lakhs) out of which Rs. 1,868.96 lakhs (Previous Year Rs. 1,628.06 lakhs) is shown as other financial assets (non current) and Rs. 1,657.05 lakhs (Previous Year Rs. 722.16 lakhs) as other bank balances. All these term deposits are lien marked for the Banks / NBFC against first loss/second loss default guarantees.			
<b>14 Loans (current financial assets)</b>			
Security deposits (unsecured, considered good)	16.31	18.41	9.58
	<b>16.31</b>	<b>18.41</b>	<b>9.58</b>
* The carrying values are considered to be a reasonable approximation of fair value.			
<b>15 Other financial assets (current)</b>			
Staff advance	39.11	10.92	24.88
	<b>39.11</b>	<b>10.92</b>	<b>24.88</b>
The carrying values are considered to be a reasonable approximation of fair value.			
<b>16 Other current assets</b>			
Advances recoverable in kind	4.77	38.54	26.14
Prepaid expenses	80.48	30.88	21.67
Balance with government authorities	39.64	0.11	6.96
	<b>124.89</b>	<b>69.53</b>	<b>54.77</b>



**17 Equity share capital**

**Authorised equity share capital**

300,00,000 (31 March 2018: 200,00,000; 01 April 2017: 100,00,000) Equity shares of ₹10 each

**Issued, subscribed and paid up equity share capital**

1,60,40,025 (31 March 2018: 1,24,40,313; 01 April 2017: 90,82,732) Equity shares of ₹10 each

**i) Rights, preferences and restrictions attached to equity shares:**

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian ₹. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**ii) Reconciliation of equity shares outstanding at reporting year end date**

**Equity share capital of ₹ 10 each fully paid up**

Balance at the beginning of the year

Add: Issued during the year

Balance at the end of the year

No. of shares	₹	No. of shares	₹
As on March 31, 2019		As on March 31, 2018	
12,440,313	1,244.03	9,082,732	908.27
3,599,712	359.97	3,357,581	335.76
16,040,025	1,604.00	12,440,313	1,244.03

**iii) Equity shares held by holding company as at balance sheet date:**

**Equity share capital of Rs. 10 each fully paid up**

Satin Creditcare Network Limited

As on March 31, 2019		As on March 31, 2018	
No. of shares	% holding	No. of shares	% holding
16,040,025	100.00%	11,334,820	91.11%
16,040,025	100.00%	11,334,820	91.11%
		7,977,239	87.83%
		7,977,239	87.83%

**iv) Shareholders holding more than 5% of shares of the Company as at balance sheet date:**

**Equity share capital of Rs. 10 each fully paid up**

MV Mauritius Limited

As on March 31, 2019		As on March 31, 2018	
No. of shares	% holding	No. of shares	% holding
-	-	1,105,493	8.89%
-	-	1,105,493	8.89%
		1,105,493	12.17%
		1,105,493	12.17%

v) The Company has neither issued equity shares pursuant to contract without payment being received in cash or any bonus shares nor has there been any buy-back of shares in the current year and five years immediately preceding the balance sheet date.



**Taraashna Services Limited (Formerly known as Taraashna Services Private Limited)**  
**Notes forming part of Financial Statements for the year ending March 31, 2019**  
 (All amounts in Rupees in lakhs, unless stated otherwise)

**18 Other equity**

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Securities premium (refer note 1 below)	3,013.45	1,384.56	531.40
Retained earnings	562.00	(286.08)	388.27
<b>Total Other Equity</b>	<b>3,575.45</b>	<b>1,098.48</b>	<b>919.67</b>

**Note 1 Securities premium**

Securities premium represents premium received on issue of shares.

The securities premium is utilised in accordance with the provisions of the Companies Act, 2013.



**Taraashna Services Limited (Formerly known as Taraashna Services Private Limited)**  
**Notes forming part of Financial Statements for the year ending March 31, 2019**  
(All amounts in Rupees in lakhs, unless stated otherwise)

**19 Borrowings (non current financial liabilities)**

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Term loans from financial institutions (unsecured)	-	446.62	319.63
Car loan from ICICI Bank (secured)	18.12	-	-
	<b>18.12</b>	<b>446.62</b>	<b>319.63</b>

\* The Company has availed long term loan facilities from financial institutions as per details below:

S No.	Terms of Repayments	March 31, 2019	March 31, 2018	April 1, 2017
(a)	<b>60 Monthly instalments of ₹ 58,395/- each</b>	<b>23.42</b>	<b>28.37</b>	<b>4.10</b>
	Current Portion	5.30	4.91	4.10
	Non Current Portion	18.12	23.46	-
(b)	<b>In 12 to 24 quarterly instalments</b>	<b>282.35</b>	<b>961.45</b>	<b>629.90</b>
	Current Portion	282.35	538.29	310.27
	Non Current Portion	-	423.16	319.63
		<b>305.77</b>	<b>989.82</b>	<b>634.00</b>

Car Loan from ICICI Bank is secured by way of hypothecation of assets purchased through loan

**20 Provisions (Non Current)**

Provision for compensated absences	124.05	97.62	70.69
Provision for gratuity	3.66	-	7.62
	<b>127.71</b>	<b>97.62</b>	<b>78.31</b>

**21 Borrowings (current financial liabilities)**

Short term borrowings from Banks

Cash credit facility from Bank (secured)	-	-	236.45
Credit facility from Bank (Unsecured)	0.17	8.87	0.13
	<b>0.17</b>	<b>8.87</b>	<b>236.58</b>

**22 Trade payables (Current Financial Liabilities)**

Dues of micro enterprises and small enterprises	-	-	-
Dues of other creditors	124.70	1,654.67	1,203.80
	<b>124.70</b>	<b>1,654.67</b>	<b>1,203.80</b>

**23 Other financial liabilities (Current)**

Current Maturities of Long Term Borrowings

Term loans from financial institutions (unsecured)	282.35	543.19	314.37
Car loan from ICICI Bank (secured)	5.30	-	-
	<b>287.65</b>	<b>543.19</b>	<b>314.37</b>
Interest accrued but not due on long term borrowings	2.94	10.62	5.43
First loss default guarantee liability	523.15	1,034.26	363.11
Expenses payable	73.15	182.87	65.55
	<b>886.89</b>	<b>1,770.94</b>	<b>748.46</b>

**24 Other current liabilities**

Statutory dues payable	85.99	163.83	53.23
	<b>85.99</b>	<b>163.83</b>	<b>53.23</b>

**25 Provisions (Current)**

Provision for compensated absences	11.12	12.98	20.65
Provision for First loss default guarantee	23.54	-	-
	<b>34.66</b>	<b>12.98</b>	<b>20.65</b>



**Taraashna Services Limited (Formerly known as Taraashna Services Private Limited)**  
**Notes forming part of Financial Statements for the year ending March 31, 2019**  
(All amounts in Rupees in lakhs, unless stated otherwise)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>26 Revenue from operations</b>		
(a) Income from business correspondents operations	6,240.66	5,175.14
(b) Other operating income		
Interest income from fixed deposits	216.70	160.32
Subtotal	216.70	160.32
<b>Total</b>	<b>6,457.36</b>	<b>5,335.46</b>
<b>27 Other income</b>		
(a) <u>Other income</u>		
Recovery against portfolio	289.33	-
Interest income on security deposit	1.46	2.39
Interest Income on refund of security deposits	-	0.55
Miscellaneous income	69.34	47.39
Sub-total (A)	360.13	50.33
(b) <u>Other non-operating income</u>		
Gain on sale of mutual funds	10.95	-
Gain in fair value of mutual fund	-	-
Sub-total (B)	10.95	-
<b>Total (A+ B)</b>	<b>371.08</b>	<b>50.33</b>
<b>28 Employee benefits expense</b>		
Salaries, wages and bonus	3,189.50	2,749.91
Contribution to provident and other funds	247.40	257.09
Staff welfare expenses	29.70	28.17
Share based payments	66.17	6.25
	<b>3,532.77</b>	<b>3,041.42</b>
For disclosures related to provision for employee benefits, refer Note 38 Employee benefit obligations.		
<b>29 Finance costs</b>		
Interest on borrowings	155.25	117.34
Other finance charges	89.12	116.90
	<b>244.37</b>	<b>234.24</b>
<b>30 Depreciation and amortisation expense</b>		
Depreciation on tangible assets	106.97	60.57
Amortisation on intangible assets	2.84	7.70
	<b>109.81</b>	<b>68.27</b>





**Taraashna Services Limited (Formerly known as Taraashna Services Private Limited)**  
**Statement of Profit and Loss for the year ended March 31, 2019**  
(All amounts in Rupees in lakhs, unless stated otherwise)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>31 Other expenses</b>		
Rent	239.97	215.25
Travelling and conveyance	182.80	165.71
Repair and maintainance	17.55	2.92
Printing and stationery	79.10	81.02
Communication cost	137.75	71.16
Insurance charges	85.33	59.70
Guarantee fees	-	47.94
Website and email maintainance charges	65.02	33.45
Rates and taxes	62.84	32.09
Electricity charges	38.30	26.81
Loss on sale of assets	0.79	12.92
Freight and cartage	4.37	4.88
Auditor's remuneration*	6.50	4.00
Business promotion	4.57	3.88
Commission paid	1.00	3.03
Legal and professional charges	15.99	3.06
Allowance for first loss default guarantee	23.54	14.25
Expense on first loss default guarantee invoked	549.94	2,084.57
Direct operational expenses	-	1.07
Director sitting fees	1.20	1.20
Advertisement expenses	-	0.36
Security services	-	1.25
Miscellaneous expenses	3.68	2.65
Office expenses	130.95	147.51
Postage and courier	31.88	26.79
Interest and penalties	1.65	1.49
	<b>1,684.72</b>	<b>3,048.96</b>

Note\*: Auditors remuneration includes payments as follows:

(a) Statutory audit	5.00	3.00
(b) Tax audit	1.50	1.00
	<b>6.50</b>	<b>4.00</b>



**Taraashna Services Limited (Formerly known as Taraashna Services Private Limited)**  
**Notes forming part of Financial Statements for the year ending March 31, 2019**  
(All amounts in Rupees in lakhs, unless stated otherwise)

	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
<b>32 Earnings/(Loss) per equity share (EPS)</b>		
Net profit/(Loss) for the year	841.88	(684.06)
Weighted average number of equity shares for EPS	14,531,105	11,108,013
Par value per share	10	10
Earnings per share - Basic and diluted	5.79	(6.16)
<b>33 Tax expense</b>		
Current tax (including taxes earlier years)	270.67	(3.88)
Deferred tax expense/(credit)	144.22	(319.16)
	<b>414.89</b>	<b>(323.05)</b>

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of and the reported tax expense in profit or loss are as follows:

<b>Accounting profit before income tax</b>	<b>1,256.77</b>	<b>(1,007.10)</b>
At country's statutory income tax rate of 29.12% (March 31, 2018: 30.90%)	365.97	(311.20)
<b>Adjustments in respect of taxes earlier years</b>		
(i) Difference due to loss on dispose of assets as per books and Income Tax Act, 1961	(0.23)	(3.99)
(ii) Due to change in rate	42.44	(7.86)
(iii) Others	6.71	-
	<b>414.89</b>	<b>(323.05)</b>

**34 Leases**

The Company has taken office premises, IT equipments etc under operating lease arrangements that are renewable as mutually agreed terms between lessee or lessor. These lease arrangements can be extended up to a maximum of 10 years after expiry of initial lease term.

Total lease expense recognised in the statement of profit and loss

Operating lease rent	238.31	212.64
	<b>238.31</b>	<b>212.64</b>

The contractual future minimum lease payments under non-cancellable leases are NIL.

Not later than one year	-	-
Later than one year and not later than five years	-	-
More than 5 years	-	-
	<b>-</b>	<b>-</b>



**Taraashna Services Limited (Formerly known as Taraashna Services Private Limited)****Notes forming part of Financial Statements for the year ending March 31, 2019**

(All amounts in Rupees in lakhs, unless stated otherwise)

**35 Contingent liability, capital or other commitment**

The Company has NIL (previous year NIL) Contingent liability, capital or other commitment as on March 31, 2019.

**36 Assets Under Management**

The Company is in the activity of business correspondent for various banks and NBFCs. Company provides first and second loss default guarantees in the form of fixed deposits/guarantees for Assets Under Management as per business correspondent agreements signed with various banks and NBFCs.

The institutionwise Assets Under Management in books of company as on March 31, 2019 are as follows:

**S.No. Name of Channel Partner**

- (i) Yes Bank Ltd.
- (ii) RBL Bank Ltd.
- (iii) Reliance Capital Ltd.
- (iv) DCB Bank Ltd.
- (v) Indusind Bank Ltd.
- (vi) Northern Arc Capital Ltd.
- (vii) State Bank of India
- Total**

March 31, 2019	March 31, 2018	April 1, 2017
22,926.17	16,366.47	10,761.19
8,258.08	23,030.71	23,029.03
7,755.49	14,749.71	7,008.92
20,936.64	11,010.38	3,696.51
458.58	1,659.03	415.42
24.85	39.23	65.36
61.15	136.86	-
<b>60,420.95</b>	<b>66,992.39</b>	<b>44,976.43</b>



**Taraashna Services Limited (Formerly known as Taraashna Services Private Limited)**

**Notes forming part of Financial Statements for the year ending March 31, 2019**

(All amounts in Rupees in lakhs, unless stated otherwise)

**37 Related Party transactions**

In accordance with the requirements of Indian Accounting Standard – 24 the names of the related parties where control/ability to exercise significant influence exists, along with the aggregate amount of transactions and year end balances with them as identified and certified by the management are given below:

**a. Details of related parties:**

Description of relationship	Names of related parties
Holding company	Satin Creditcare Network Limited
Entities over which significant influence is exercised by the company /key management personnel (either individually or with others)	Niryas Food Products Private Limited
Key management personnel (KMP)	Anupreet HP Singh ; Director Sanjeev Vij ; Chief Executive Officer & Whole Time Director Prashant Sharma ; Company Secretary Abhay Thakkar ; Chief Financial Officer

**b. Transactions with Related Parties are as under:**

	Enterprise under Common Control		Key Management Personnel	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>(i) Transactions during the year</b>				
Satin Creditcare Network Limited				
Issue of Equity Shares	2,000.00	1,200.00		
Rent	0.60	0.23		
Share based payments	66.17	6.25		
Management Services	32.16	-		
Niryas Food Products Private Limited				
Received amount of loan instalment deducted from creditors of milk products	125.47	47.68		
Anupreet HP Singh				
Directors' Remuneration				
Sanjeev Vij				
Remuneration paid			89.23	72.25
Abhay Thakkar				
Remuneration paid			12.58	6.56
Prashant Sharma				
Remuneration paid			8.38	7.83
<b>(ii) Balances at Year End</b>				
Trade Receivables	3.10	0.02		
Niryas Food Products Private Limited	3.10	0.02		
Trade Payables	66.17	6.25		
Satin Creditcare Network Limited	66.17	6.25		

With respect to the key management personnel, disclosure has been given for those relatives with whom

**Key management personnel remuneration includes the following expenses:**

	March 31, 2019	March 31, 2018
Short-term employee benefits	105.73	83.64
Post-employment benefits	4.46	2.99
Termination benefits	-	-
<b>Total remuneration</b>	<b>110.19</b>	<b>86.63</b>

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**Taraashna Services Limited (Formerly known as Taraashna Services Private Limited)**  
**Notes forming part of Financial Statements for the year ending March 31, 2019**  
(All amounts in Rupees in lakhs unless stated otherwise)

**38 Employee benefits**

The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under :

**Defined contribution plans**

**Provident fund**

The Company has made ₹ 247.40 lakhs (March 31, 2018 ₹ 257.09 lakhs) contribution in respect of provident fund and other funds.

**Defined benefit plans**

**A Gratuity**

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded by the Company and is managed by Life Insurance Corporation of India ("LIC"). The liability of Gratuity is recognized on the basis of actuarial valuation.

**Risks associated with plan provisions**

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**(i) Amount recognised in the balance sheet is as under:**

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Present value of obligation	121.53	84.21	58.36
Fair value of plan assets	117.87	85.43	50.74
<b>Net obligation recognised in balance sheet as provision</b>	<b>(3.66)</b>	<b>1.22</b>	<b>(7.62)</b>

**(ii) Amount recognised in the statement of profit and loss is as under:**

Particulars	As at March 31, 2019	As at March 31, 2018
Service cost	43.56	37.11
Net interest cost / (income)	(0.10)	0.56
Interest cost on defined benefit obligation	-	-
<b>Net impact on profit (before tax)</b>	<b>43.47</b>	<b>37.67</b>
Actuarial gain/(loss) recognised during the year	(8.72)	(13.70)
<b>Amount recognised in the statement of profit and loss and other comprehensive income</b>	<b>34.74</b>	<b>23.97</b>

**(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:**

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation as at the beginning of year	84.21	58.36
Service cost	6.57	4.26
Interest cost	43.56	37.11
Benefits paid	(4.09)	(1.83)
Actuarial loss/(gain) on obligation	-	-
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	1.53	15.98
Actuarial (gain)/loss on arising from experience adjustment	(10.25)	(29.68)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>121.53</b>	<b>84.21</b>

**(iv) Major categories of plan assets (as percentage of total plan assets):**

Particulars	As at March 31, 2019	As at March 31, 2018
Funds managed by insurer	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>



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**38 Employee benefits [continued]**

**(v) Movement in the plan assets recognised in the balance sheet is as under:**

Particulars	As at March 31, 2019	As at March 31, 2018
Fair value of plan assets at beginning of year	85.43	50.74
Actual return on plan assets	3.52	4.85
Employer's contribution	33.01	31.67
Benefits paid	(4.09)	(1.83)
Actuarial loss/(gain) on plan assets		
<b>Fair value of plan assets at the end of the year</b>	<b>117.87</b>	<b>85.43</b>

**(vi) Actuarial assumptions**

Particulars	As at March 31, 2019	As at March 31, 2018
Discounting rate	7.66%	7.80%
Future salary increase	6.00%	6.00%
Retirement age (years)	60.00	60.00
Withdrawal rate		
Up to 30 years	8.00%	8.00%
From 31 to 44 years	8.00%	8.00%
Above 44 years	8.00%	8.00%
Weighted average duration	11.06	10.53

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2006-08) Ultimate table.

**(vii) Sensitivity analysis for gratuity liability**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	121.53	84.21
- Impact due to increase of 0.50 %	(5.73)	(3.02)
- Impact due to decrease of 0.50 %	6.22	3.18
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	121.53	84.21
- Impact due to increase of 0.50 %	6.29	3.23
- Impact due to decrease of 0.50 %	(5.84)	(3.09)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated.

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

<b>(viii) Maturity profile of defined benefit obligation</b>	As at March 31, 2019	As at March 31, 2018
<b>Years</b>	<b>Amount</b>	<b>Amount</b>
0 to 1 year	11.12	1.52
1 to 2 year	3.26	2.77
2 to 3 year	5.38	4.09
3 to 4 year	6.18	4.82
4 to 5 year	6.82	5.19
5 to 6 year	6.83	4.81
6 year onwards	81.95	61.02



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**38 Employee benefits [continued]**

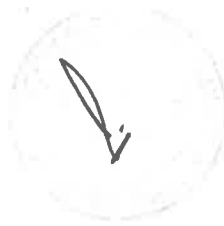
**B Compensated absences (non-funded)**

**(i) Amount recognised in the balance sheet is as under:**

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Present value of obligation	135.17	110.60	91.33
Fair value of plan assets	-	-	-
<b>Net obligation recognised in balance sheet as provision</b>	<b>135.17</b>	<b>110.60</b>	<b>91.33</b>

**(ii) Amount recognised in the statement of profit and loss is as under:**

Particulars	As at March 31, 2019	As at March 31, 2018
Total service cost	58.40	62.62
Net interest cost on defined benefit obligation	8.63	6.67
Net actuarial (gain)/loss recognised during the year	(42.46)	(50.01)
<b>Amount recognised in the statement of profit and loss</b>	<b>24.57</b>	<b>19.27</b>





### 39 Financial instruments

#### A Financial assets and liabilities

The carrying amounts and fair values of financial instruments by category are as follows:

Particulars	Notes to schedule	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>Financial assets measured at amortised cost</b>				
Cash and Cash equivalents	1	978.48	1,496.02	1,191.92
Bank balances other than above	2	3,526.01	2,350.22	1,875.77
Receivables	3	586.07	1,158.46	589.85
Security deposits	4	27.05	26.75	24.56
Other financial assets	4	39.11	10.92	24.88
<b>Total</b>		<b>5,156.72</b>	<b>5,042.36</b>	<b>3,706.98</b>
<b>Financial liabilities measured at amortised cost</b>				
Payables	10	124.70	1,654.67	1,203.80
Borrowings (other than debt securities but including interest accrued)	11	305.94	998.69	870.58
Other financial liabilities	12	599.24	1,227.75	434.09
<b>Total</b>		<b>1,029.89</b>	<b>3,881.11</b>	<b>2,508.46</b>

#### B Fair values hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

Company does not have any assets measured at fair value.

#### B.1 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>						
Cash and Cash equivalents	978.48	978.48	1,496.02	1,496.02	1,191.92	1,191.92
Bank balances other than above	3,526.01	3,526.01	2,350.22	2,350.22	1,875.77	1,875.77
Receivables	586.07	586.07	1,158.46	1,158.46	589.85	589.85
Security deposits	27.05	27.05	26.75	26.75	24.56	24.56
Other financial assets	39.11	39.11	10.92	10.92	24.88	24.88
<b>Total</b>	<b>5,156.72</b>	<b>5,156.72</b>	<b>5,042.36</b>	<b>5,042.36</b>	<b>3,706.98</b>	<b>3,706.98</b>
<b>Financial liabilities</b>						
Payables	124.70	124.70	1,654.67	1,654.67	1,203.80	1,203.80
Borrowings (other than debt securities but including interest)	305.94	242.72	998.69	924.35	870.58	897.41
Other financial liabilities	599.24	599.24	1,227.75	1,227.75	434.09	434.09
<b>Total</b>	<b>1,029.89</b>	<b>966.67</b>	<b>3,881.11</b>	<b>3,806.77</b>	<b>2,508.46</b>	<b>2,535.30</b>

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables, other financial assets, trade payables and other financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) Long-term fixed-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors.

(ii) The fair values of the Company's fixed interest bearing loans and receivables are determined by applying discounted cash flows ("DCF") method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2018 was assessed to be insignificant.

(iii) The fair values of the Company fixed interest-bearing debt securities, borrowings and subordinated liabilities are determined by applying discounted cash flows ("DCF") method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2018 was assessed to be insignificant.

#### C Financial risk management

##### i) Risk Management

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, loans, financial assets	Ageing analysis	Bank deposits, diversification of asset base, credit limits and
Liquidity risk	Borrowings, debt securities, subordinated liabilities, and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - interest rate	Borrowings, debt securities and subordinated liabilities at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.



**A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, loan assets, and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**a) Credit risk management**

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different

- (i) Low credit risk on financial reporting date
- (ii) Moderate credit risk
- (iii) High credit risk

The Company provides for expected credit loss based on the following:

Asset Company	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans and	12 month expected credit loss
Moderate credit risk	Loans, trade receivables and other financial assets	Life time expected credit loss or 12 month expected credit
High credit risk	Loans and other financial assets	Life time expected credit loss fully provided for

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a borrower declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

**Financial assets that expose the entity to credit risk\***

Particulars	As at March 31, 2018	As at March 31, 2018	As at April 1, 2017
(i) <b>Low credit risk on financial reporting date</b>			
Bank Balance in current accounts & in Fixed Deposits	947.97	1,317.13	999.15
Bank balances other than above	3,526.01	2,350.22	1,875.77
Security deposits	27.05	26.75	24.56
Other financial assets	39.11	10.92	24.88
Receivables	586.07	1,158.46	589.85
(ii) <b>Moderate credit risk</b>	-	-	-
(iii) <b>High credit risk</b>	-	-	-

\* These represent gross carrying values of financial assets, without deduction for expected credit losses

**Cash and cash equivalents and bank deposits**

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

**Loans**

Credit risk related to borrower's are mitigated by considering collateral's/ bank guarantees/letter of credit, from borrower's. The Company closely monitors the credit-worthiness of the borrower's through internal systems that are configured from systematic institutional and project appraisal process analysis to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become one year past due.

**Other financial assets measured at amortized cost**

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.



b) **Expected credit losses for financial assets**

f) Company provides for expected credit losses on financial assets by assessing individual financial instruments for expectation of any credit losses:

- For cash and cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.
- For investments - Considering the investments are in mutual funds, certificate of deposits and Government securities, credit risk is considered low.
- For loans comprising security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.
- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though the reconciliation of expected credit loss for all sub categories of financial assets (other than loans) are disclosed below:

As at March 31, 2019	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Bank Balance in current accounts & in Fixed Deposits	947.97	0%	-	947.97
Bank balances other than above	3,526.01	0%	-	3,526.01
Security deposits	27.05	0%	-	27.05
Other financial assets	27.05	0%	-	27.05

As at March 31, 2018	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Bank Balance in current accounts & in Fixed Deposits	1,317.13	0%	-	1,317.13
Bank balances other than above	2,350.22	0%	-	2,350.22
Security deposits	26.75	0%	-	26.75
Other financial assets	26.75	0%	-	26.75

As at April 1, 2017	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Bank Balance in current accounts & in Fixed Deposits	999.15	0%	-	999.15
Bank balances other than above	1,875.77	0%	-	1,875.77
Security deposits	24.56	0%	-	24.56
Other financial assets	24.56	0%	-	24.56

B) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

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(i) **Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
- Expiring within one year (Term loan facilities- Fixed rate)	1,000.00	-	-
- Expiring beyond one year (Term loan facilities - Fixed rate)	-	-	-
- Expiring within one year (cash credit, invoice discounting and other facilities- fixed/ floating rate)	-	-	-
Limit	145.00	145.00	255.00
Drawn	0.38	0.45	236.57
Undrawn	-	-	-
- Expiring beyond one year (cash credit and other facilities- - fixed/ floating rate)	-	-	-

The cash credit and invoice discounting facilities may be drawn at any time and may be terminated by the bank/financial institution after giving notice.

Subject to the continuance of satisfactory credit ratings, the term loan facilities can be drawn till June 30, 19 in ₹ 1,000 lakhs and have an average maturity of 1 year. (March 31, 2018: nil , April 1, 2017 : nil).



(ii) **Maturities of financial liabilities**

The tables below analyse the Company financial liabilities into relevant maturity Companyings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at March 31, 2019	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Borrowings (other than debt securities but including interest accrued)	316.90	7.01	7.01	6.39	337.31
Payables	124.70	-	-	-	124.70
Other financial liabilities	596.30	-	-	-	124.70
<b>Total</b>	<b>441.61</b>	<b>7.01</b>	<b>7.01</b>	<b>6.39</b>	<b>462.02</b>

As at March 31, 2018	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Borrowings (other than debt securities but including interest accrued)	674.71	505.57	56.45	13.40	1,250.13
Payables	1,654.67	-	-	-	1,654.67
Other financial liabilities	1,217.13	-	-	-	1,217.13
<b>Total</b>	<b>3,546.52</b>	<b>505.57</b>	<b>56.45</b>	<b>13.40</b>	<b>4,121.94</b>

As at April 1, 2017	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Borrowings (other than debt securities but including interest accrued)	404.03	386.77	256.54	20.41	1,067.75
Payables	1,203.80	-	-	-	1,203.80
Other financial liabilities	428.67	-	-	-	428.67
<b>Total</b>	<b>2,036.50</b>	<b>386.77</b>	<b>256.54</b>	<b>20.41</b>	<b>2,700.22</b>

b) **Interest rate risk**

i) **Liabilities**

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2019, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

All the borrowings carry fixed rate of interest, and accordingly, the Company do not have any exposure to interest rate risk.

ii) **Assets**

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

40 **Capital management**

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Borrowings (other than debt securities)	305.93	998.68	870.59
Other financial liabilities - Interest Accrued	2.94	10.62	5.42
Less: Cash and Cash Equivalents	(978.48)	(1,496.02)	(1,191.92)
<b>Total borrowings/Net debt*</b>	<b>(669.61)</b>	<b>(486.72)</b>	<b>(315.91)</b>
Equity Share Capital	1,604.00	1,244.03	908.27
Other Equity	3,575.43	1,098.48	919.67
<b>Total equity/Capital and net debt</b>	<b>5,179.46</b>	<b>2,342.51</b>	<b>1,827.95</b>
<b>Net debt to equity ratio /Gearing ratio</b>	<b>(0.13)</b>	<b>(0.21)</b>	<b>(0.17)</b>

\* Net debt includes borrowings (other than debt securities) + interest accrued - cash and cash equivalents.



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**41 First time adoption of Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2019, the comparative information presented in these financial statements for the year ended 31 March 2018 and in the preparation of an opening Ind AS balance sheet at 01 April 2017 (the Company's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A Ind AS optional exemptions**

**1 Deemed cost for property, plant and equipment, and intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their Previous GAAP carrying value.

**B Ind AS mandatory exceptions**

**1 Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

**2 Classification and measurement of financial assets and liabilities**

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

**C Reconciliations between Previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.

**1 Reconciliation of total equity as at March 31, 2018 and April 1, 2017**

	Notes	March 31, 2018	April 1, 2017
<b>Total equity (shareholder's funds) as per Previous GAAP</b>		<b>2,398.94</b>	<b>1,873.38</b>
<b>Adjustments:</b>			
Measurement of financial assets and liabilities initially at fair value and subsequently at amortised cost	Note – 1	2.60	3.85
Measurement of first loss default guarantee	Note – 2	(82.21)	(67.95)
Deferred Tax effect of adjustments	Note – 4	23.18	18.67
<b>Total adjustments</b>		<b>(56.43)</b>	<b>(45.44)</b>
<b>Total equity as per Ind AS</b>		<b>2,342.51</b>	<b>1,827.95</b>

2 Reconciliation of total comprehensive income for the year ended March 31, 2018

	Notes	March 31, 2018
<b>Profit after tax as per Previous GAAP</b>		<b>(663.36)</b>
<b>Adjustments:</b>		
Measurement of financial assets and liabilities initially at fair value and subsequently at amortised cost	Note – 1	(1.25)
Measurement of first loss default guarantee	Note – 2	(14.25)
Remeasurement of defined benefit obligations	Note – 3	(13.70)
Deferred Tax effect of adjustments	Note – 4	8.50
<b>Total adjustments</b>		<b>(20.70)</b>
<b>Profit as per Ind AS for the year ended March 31, 2018</b>		<b>(684.06)</b>
<b>Other comprehensive income</b>		
Remeasurement of defined benefit obligations		13.70
Income tax effects of OCI adjustment		(3.99)
<b>Total comprehensive income for the year ended 31 March 2018</b>		<b>(674.35)</b>

3 Impact of Ind AS adoption on the Statement of cash flows for the year ended March 31, 2018

Description	Per Previous GAAP*	Ind AS adjustments	Per Ind AS
Net cash flow from operating activities	(713.64)	50.09	(763.73)
Net cash flow from investing activities	(163.66)	(5.59)	(158.07)
Net cash flow from financing activities	1,181.40	(23.46)	1,204.86
Net increase in cash and cash equivalents	304.10	21.04	283.06
Cash and cash equivalents as at April 1, 2017	1,191.92	-	1,191.92
<b>Cash and cash equivalents as at March 31, 2018</b>	<b>1,496.02</b>	<b>21.04</b>	<b>1,474.98</b>

The adjustments to cash flow statement is on account of measurement of deposits with banks and borrowings at amortised cost.

\* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.



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**4 Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at April 1, 2017 is as follows:**

Description	Notes to first time adoption	As Per Previous GAAP*	Ind AS adjustments	As Per Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		115.68	(0.00)	115.68
Other intangible assets		12.20	0.00	12.20
Financial assets				
Loans	Note 1	19.15	(4.18)	14.98
Other financial assets		805.42	15.64	821.06
Current tax assets (net)		524.76	-	524.76
Deferred tax assets (net)	Note 4	37.67	18.67	56.33
Other non-current assets	Note 1	35.84	(17.97)	17.88
<b>Total non-current assets</b>		<b>1,550.71</b>	<b>12.17</b>	<b>1,562.88</b>
<b>Current assets</b>				
Financial assets				
Loans	Note 1	11.37	(1.78)	9.58
Trade receivables		598.79	(8.94)	589.85
Cash and cash equivalents	Note 1	1,191.92	0.00	1,191.92
Other bank balances	Note 1	990.94	63.76	1,054.71
Other financial assets		104.28	(79.40)	24.88
Other current assets	Note 1	43.62	11.15	54.77
<b>Total current assets</b>		<b>2,940.92</b>	<b>(15.21)</b>	<b>2,925.71</b>
<b>TOTAL ASSETS</b>		<b>4,491.64</b>	<b>(3.05)</b>	<b>4,488.59</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		908.27	-	908.27
Other equity	Note 1,2,3,4	965.11	(45.44)	919.67
<b>Total equity</b>		<b>1,873.38</b>	<b>(45.44)</b>	<b>1,827.95</b>
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	Note 1	324.15	(4.52)	319.63
Other financial liabilities			-	-
Provisions		96.05	(17.74)	78.31
Other non current liabilities		-	-	-
<b>Total non-current liabilities</b>		<b>420.20</b>	<b>(22.26)</b>	<b>397.94</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings		236.58	-	236.58
Trade payables		1,203.80	-	1,203.80
Other financial liabilities	Note 1	680.52	67.95	748.47
Other current liabilities		53.20	-	53.20
Provisions	Note 2	23.95	(3.30)	20.65
<b>Total current liabilities</b>		<b>2,198.05</b>	<b>64.65</b>	<b>2,262.70</b>
<b>Total liabilities</b>		<b>2,618.25</b>	<b>42.39</b>	<b>2,660.64</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>4,491.64</b>	<b>(3.05)</b>	<b>4,488.59</b>

\* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.





**Taraashna Services Limited (Formerly known as Taraashna Services Private Limited)**  
**Notes forming part of Financial Statements for the year ending March 31, 2019**  
(All amounts in Rupees in lakhs, unless stated otherwise)

**5 Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at March 31, 2018 is as follows:**

Description	Notes to first time adoption	As Per Previous GAAP*	Ind AS adjustments	As Per Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		200.28	-	200.28
Other intangible assets		4.49	-	4.49
Financial assets				
Loans	Note 1	14.23	(5.89)	8.34
Other financial assets		1,628.06	-	1,628.06
Current tax assets (net)		781.17	-	781.17
Deferred tax assets (net)	Note 4	348.32	23.17	371.50
Other non-current assets	Note 1	24.35	4.36	28.71
<b>Total non-current assets</b>		<b>3,000.91</b>	<b>21.65</b>	<b>3,022.55</b>
<b>Current assets</b>				
Financial assets				
Loans	Note 1	19.23	(0.82)	18.41
Trade receivables		1,158.46	-	1,158.46
Cash and cash equivalents	Note 1	1,496.02	(0.00)	1,496.02
Other bank balances	Note 1	694.63	27.53	722.16
Other financial assets		38.45	(27.53)	10.92
Other current assets	Note 1	74.04	(4.51)	69.53
<b>Total current assets</b>		<b>3,480.83</b>	<b>(5.33)</b>	<b>3,475.49</b>
<b>TOTAL ASSETS</b>		<b>6,481.73</b>	<b>16.31</b>	<b>6,498.05</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		1,244.03	-	1,244.03
Other equity		1,154.91	(56.42)	1,098.48
<b>Total equity</b>		<b>2,398.94</b>	<b>(56.42)</b>	<b>2,342.51</b>
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	Note 1	456.02	(9.39)	446.62
Provisions		97.62	-	97.62
<b>Total non-current liabilities</b>		<b>553.64</b>	<b>(9.39)</b>	<b>544.25</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings		8.87	-	8.87
Trade payables		1,654.67	-	1,654.67
Other financial liabilities	Note 1	1,688.81	82.13	1,770.94
Other current liabilities		163.83	-	163.83
Provisions	Note 2	12.98	-	12.98
<b>Total current liabilities</b>		<b>3,529.16</b>	<b>82.13</b>	<b>3,611.29</b>
<b>Total liabilities</b>		<b>4,082.80</b>	<b>72.74</b>	<b>4,155.53</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>6,481.73</b>	<b>16.31</b>	<b>6,498.05</b>

\* Reclassification of respective assets and liabilities in accordance with applicable IND AS have been made in previous GAAP Figures



**Taraashna Services Limited (Formerly known as Taraashna Services Private Limited)**  
**Notes forming part of Financial Statements for the year ending March 31, 2019**  
(All amounts in Rupees in lakhs, unless stated otherwise)

**6 Reconciliation of the income and expenses presented in the statement of profit and loss prepared as per Indian GAAP and as per Ind AS as at March 31, 2018 is as follows:**

Description		As Per Previous GAAP*	Ind AS adjustments	As Per Ind AS
<b>I. Income</b>				
Revenue from operations		5,335.46	-	5,335.46
Other income	Note 1	47.39	2.93	50.33
<b>Total income</b>		<b>5,382.86</b>	<b>2.93</b>	<b>5,385.79</b>
<b>II. Expenses</b>				
Employee benefits expense	Note 1	3,027.72	13.70	3,041.42
Finance costs	Note 1	232.66	1.58	234.24
Depreciation and amortisation expense		68.27	-	68.27
Other expenses	Note 2	3,032.12	16.84	3,048.96
<b>Total expenses</b>		<b>6,360.77</b>	<b>32.12</b>	<b>6,392.89</b>
<b>III. Profit/(Loss) before tax (II-I)</b>		<b>(977.91)</b>	<b>(29.19)</b>	<b>(1,007.10)</b>
<b>Current tax</b>				
Current tax		-	-	-
Deferred tax expense/(credit)	Note 4	(310.66)	(8.50)	(319.16)
Earlier years taxes/(refunds)		(3.88)	-	(3.88)
<b>IV. Total tax expense</b>		<b>(314.54)</b>	<b>(8.50)</b>	<b>(323.05)</b>
<b>V. Net Profit/(loss) for the year</b>		<b>(663.36)</b>	<b>(20.69)</b>	<b>(684.05)</b>
<b>VI. Other Comprehensive Income/(Loss)</b>				
Items that will not be reclassified to profit or loss				
Re-measurement gains/(losses) on defined benefit	Note 3	-	13.70	13.70
Income tax relating to these items	Note 4	-	(3.99)	(3.99)
<b>Other Comprehensive Income/(Loss) for the year</b>		<b>-</b>	<b>9.71</b>	<b>9.71</b>
<b>VII. Total comprehensive Income/(Loss) for the year</b>		<b>(663.36)</b>	<b>(10.98)</b>	<b>(674.34)</b>

\* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.



**Taraashna Services Limited (Formerly known as Taraashna Services Private Limited)**

**Notes forming part of Financial Statements for the year ending March 31, 2019**

(All amounts in Rupees in lakhs, unless stated otherwise)

**Note – 1**

**Measurement of financial assets and financial liabilities at amortised cost**

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the statement of profit and loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, financial assets and financial liabilities were initially recognized at transaction price. Subsequently, any finance income/costs was recognized based on contractual terms. Under Ind AS, such financial instruments are initially recognized at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value affects profit and loss unless it quantifies for recognition as some other type of asset or liability.

**Note – 2**

**Recognition of first loss default guarantee expenses**

First loss default guarantee contracts are contracts that require the Company to make specified payments to reimburse the bank and financial institution for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks and financial institutions, for whom the Company acts as 'Business Correspondent'.

These contracts are initially measured at fair value and subsequently measure at higher of:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- Maximum amount payable as on the reporting date to the respective bank/financial institution which is based on the amount of loans where first loss default guarantee has been invoked as per the terms mentioned in agreement with the respective bank/financial institution.

Further, the maximum liability is restricted to the cash outflow agreed in the contract.

**Note – 3**

**Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

**Note – 4**

**Tax effect of adjustments**

Under Previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences.

**Note – 5**

**Retained earnings**

Retained earnings as at 1 April 2017 has been adjusted consequent to the above Ind AS transition adjustments.



**Taraashna Services Limited (Formerly known as Taraashna Services Private Limited)**  
**Notes forming part of Financial Statements for the year ending March 31, 2019**  
(All amounts in Rupees in lakhs, unless stated otherwise)

**42 Reconciliation of liabilities arising from financing activities**

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Borrowings
01 April 2017	87,058,672
Cash flows:	13,303,494
Non cash:	
- Others	(493,521)
31 March 2018	99,868,645
Cash flows:	(70,020,835)
Non cash:	
- Others	767,982
31 March 2019	30,615,792

Non-cash items "Others" in reconciliation above represents adjustment of transaction costs.

**43 Assets hypothecated as security**

The carrying amounts of assets hypothecated as security are:

Particulars	31 March 2019	31 March 2018	31 March 2017
Non-current			
First charge	2,162,784	3,144,952	753,102
Total assets hypothecated as security	2,162,784	3,144,952	753,102

**44 Segment Reporting**

The Company operates in a single reportable segment i.e. business correspondent, which has similar risks and returns for the purpose of Ind AS 108 "Operating segments" and is considered to be the only reportable business segment. The Company derives its major revenues from business correspondent activities and its customers are widespread. Further, The Company is operating in India which is considered as a single geographical segment.

For Rajeev Bhatia & Associates.  
Chartered Accountants

Firm's Registration No.: 021776N

Rajeev Bhatia  
Partner  
M.No.089018

Place: Gurugram  
Date: 01 May 2019

For and on behalf of the Board of Directors of  
Taraashna Services Limited

Sanjeev V  
(Chief Executive Officer & Whole Time Director)  
DIN: 08335310

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

H P Singh  
(Director)  
DIN: 00333754

Abhay Thakkar  
(Chief Financial Officer)