Rajeev Bhatia & Associates
Chartered Accountants

1406, RG Trade Tower, Netaji Subhash Place,
Pitampura, Delhi–110 034
011-45131008, 9810057854
info@rajeevbhatiaassociates.com

Independent Auditor's Report

To the Members of Taraashna Financial Service Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Taraashana Financial Services Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement the Statement of Changes in Equity for the year then ended and a summary of the 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 Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2020, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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.

Emphasis of Matters

We draw attention to Note No 42 to the financial statements which explains that, the extent to which COVID-19 pandemic will impact, the Company's operations and financial position and performance are dependent on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company.

Our opinion is not modified in respect of this matter.

RAJEEV BHATIA & ASSOCIATES * DELHI * Chartered Accountants

Rajeev Bhatia & Associates
. Chartered Accountants

1406, RG Trade Tower, Netaji Subhash Place,
Pitampura, Delhi–110 034
011-45131008, 9810057854
info@rajeevbhatiaassociates.com

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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 statements 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 is 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 Standards on Auditing 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.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

Rajeev Bhatia & Associates
Chartered Accountants

1406, RG Trade Tower, Netaji Subhash Place,
Pitampura, Delhi–110 034
011-45131008, 9810057854
info@rajeevbhatiaassociates.com

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

Further to our comments in Annexure A, 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 purpose of our audit;

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

Rajeev Bhatia & Associates
Chartered Accountants

1406, RG Trade Tower, Netaji Subhash Place,
Pitampura, Delhi–110 034
011-45131008, 9810057854
info@rajeevbhatiaassociates.com

(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 financial statements dealt with by this report are in agreement with the books of account;

(d) in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;

(e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;

(f) we have also audited the internal financial controls over financial reporting of the Company as on March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated May 29, 2020 as per Annexure B expressed unmodified opinion; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

(i) the Company did not have any pending litigations which impacted its financial position as at March 31, 2020;

(ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2020;

(iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

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

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

Rohit Kumar Gupta
Partner
Membership No.: 410082
UDIN - 20410082AAAAKM3676

Place: Delhi
Date: June 3, 2020

Rajeev Bhatia & Associates
Chartered Accountants

1406, RG Trade Tower, Netaji Subhash Place,
Pitampura, Delhi–110 034
011-45131008, 9810057854
info@rajeevbhatiaassociates.com

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 Financial Services Limited** on the financial statements for the year ended 31 March 2020)

(i) Fixed Assets

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.

(ii) Inventories

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.

(iii) Loans granted by company

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.

(iv) Compliance of Section 185 and 186 of The Act

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.

(v) Acceptance of Deposits

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.

(vi) Maintenance of Cost records

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.

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

1406, RG Trade Tower, Netaji Subhash Place,
Pitampura, Delhi–110 034
011-45131008, 9810057854
info@rajeevbhatiaassociates.com

(vii) Payment of Applicable Taxes

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 2020 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.

(viii) Dues to a Financial Institution or bank or debenture holder

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.

(ix) Initial Public Offer

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.

(x) Fraud by the Company or on the Company

No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit except for a few instances of misappropriation of cash collected from customers and other forms of embezzlement of cash by the employees involving amounts aggregating Rs. 46.84 Lakhs. The Company has terminated the services of such employees and also initiated legal action against such employees. The Company has recovered Rs. 6.47 Lakhs from some employees.

(xi) Managerial Remuneration

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.

(xii) Nidhi Company

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.

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

(xiii) Related Party Transactions

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 177 and 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.

(xiv) Preferential Allotment or Private Placement

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.

(xv) Non – Cash Transactions

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.

(xvi) Registration with RBI

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

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

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

Rohit Kumar Gupta
Partner
Membership No.: 410082
UDIN - 20410082AAAAKM3676

Place: Delhi
Date: June 3, 2020

Rajeev Bhatia & Associates
Chartered Accountants

1406, RG Trade Tower, Netaji Subhash Place,
Pitampura, Delhi–110 034
011-45131008, 9810057854
info@rajeevbhatiaassociates.com

Annexure B to the Independent Auditor's Report of even date to the members of Taraashna Financial Services Limited on the financial statements for the year ended 31 March 2020

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

In conjunction with our audit of the financial statements of Taraashna Financial Services Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors 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 ('the Guidance Note') 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 the Company's business, including adherence to the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. 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 IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 IFCoFR.

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

Rajeev Bhatia & Associates
Chartered Accountants

1406, RG Trade Tower, Netaji Subhash Place,
Pitampura, Delhi–110 034
011-45131008, 9810057854
info@rajeevbhatiaassociates.com

Meaning of Internal Financial Controls over Financial Reporting

A company's IFCoFR 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 IFCoFR include 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 IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2020, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

Rohit Kumar Gupta
Partner
Membership No.: 410082
UDIN - 20410082AAAAKM3676

Place: Delhi
Date: June 3, 2020

Taraashna Financial Services Limited (Erstwhile Taraashna Services Limited)
Balance Sheet as at March 31, 2020
(All amounts in ₹ in lakhs, unless stated otherwise)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non current assets			
Property, plant and equipment	4	277.22	126.95
Other intangible assets	5	-	1.35
Financial assets			
Loans	6	14.50	10.74
Other financial assets	7	3,118.83	1,868.96
Current tax assets (net)	8	606.00	819.43
Deferred tax assets (net)	9	280.98	224.75
Other non-current assets	10	12.40	3.60
Total non current assets		**4,309.93**	**3,055.78**
Current assets			
Financial assets			
Trade receivables	11	572.63	586.07
Cash and cash equivalents	12	1,971.83	978.48
Other bank balances	13	1,506.49	1,657.05
Loans	14	16.14	16.31
Other financial assets	15	557.92	39.11
Other current assets	16	84.30	124.89
Total current assets		**4,709.31**	**3,401.91**
TOTAL ASSETS		**9,019.24**	**6,457.69**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	1,604.00	1,604.00
Other equity	18	3,501.11	3,575.45
Total equity		**5,105.11**	**5,179.45**
Non current liabilities			
Financial liabilities			
Borrowings	19	488.21	18.12
Provisions	20	113.07	127.71
Total non current liabilities		**601.28**	**145.83**
Current liabilities			
Financial liabilities			
Borrowings	21	1,500.37	0.17
Trade payables	22		
total oustanding dues of micro enterprises and small enterprises		2.24	-
total oustanding dues of creditors other than micro enterprises and small enterprises		546.46	124.70
Other financial liabilities	23	723.40	886.89
Other current liabilities	24	63.98	85.99
Provisions	25	476.40	34.66
Total current liabilities		**3,312.85**	**1,132.41**
Total liabilities		**3,914.13**	**1,278.24**
TOTAL EQUITY & LIABILITIES		**9,019.24**	**6,457.69**

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. 021[illegible]N

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

Rohit Kumar Gupta
Partner
M.No.410082
Place-Delhi

Place: Gurugram
Date: June 03, 2020

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

PARTHA SENGUPTA Digitally signed by PARTHA SENGUPTA Date: 2020.06.03 [illegible]

Partha Sengupta
(CEO & WTD)
DIN: 08581580
Place: Bangalore

H P Singh
(Director)
DIN: 00333754

Manoj Kumar Jasoria
(Company Secretary)
(M No. - A24361)

Rahul Garg
(Chief Financial Officer)

Taraashna Financial Services Limited (Erstwhile Taraashna Services Limited)
Statement of Profit and Loss for the year ended March 31, 2020
(All amounts in ₹ in lakhs, unless stated otherwise)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I. Income			
Revenue from operations	26	6,891.11	6,457.36
Other income	27	86.18	81.75
Total income		**6,977.29**	**6,539.11**
II. Expenses			
Employee benefits expense	28	3,826.81	3,532.77
Finance costs	29	315.93	246.02
Depreciation and amortisation expense	30	174.06	109.81
Other expenses	31	2,778.86	1,393.74
Total expenses		**7,095.66**	**5,282.34**
III. Profit/(Loss) before tax (II-I)		**(118.37)**	**1,256.77**
IV. Tax expense			
Current tax		57.18	270.67
Mat credit utilization/ (entitlement)		62.98	(145.24)
Deferred tax expense/(credit)		(122.96)	289.46
Earlier years taxes/(refunds)		(16.01)	-
Total tax expense		**(18.81)**	**414.89**
V. Net Profit/(loss) for the year		**(99.56)**	**841.88**
VI. Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		34.94	8.72
Income tax relating to these items		(9.72)	(2.54)
Other comprehensive income/(loss) for the year		**25.22**	**6.18**
VII. Total comprehensive income/(loss) for the year		**(74.34)**	**848.06**
VIII Earnings/(Loss) per equity share (EPS)			
Basic/diluted EPS per share (₹)	32	(0.62)	5.79

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

This is the statement of profit and loss referred to in our report of even date.

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

RAJEEV BHATIA & ASSOCIATES Chartered Accountants DELHI

Rohit Kumar Gupta
Partner
M.No.410082
Place- Delhi

Place: Gurugram
Date: June 03, 2020

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

PARTHA SENGUPTA Digitally signed by PARTHA SENGUPTA Date: 2020.06.03 16:42:21 +05'30'

Partha Sengupta
(CEO & WTD)
DIN: 08581580
Place: Bangalore

H P Singh
(Director)
DIN: 00333754

Manoj Kumar Jasoria
(Company Secretary)
(M No. - A24361)

Rahul Garg
(Chief Financial Officer)

Taraashna Financial Services Limited (Erstwhile Taraashna Services Limited)
Statement of Cash Flows for the year ended March 31, 2020
(All amounts in ₹ in lakhs, unless stated otherwise)

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before tax		(118.37)	1,256.77
Adjustments for:			
Depreciation and amortisation expense		174.06	109.81
Interest paid on borrowings		287.96	155.25
Loss on disposal of tangible assets		2.95	0.79
Gain on sale of mutual funds		(12.73)	(10.95)
Interest on lease liability		22.14	-
Operating Profit/(loss) Before Working Capital Changes		**356.01**	**1,511.67**
Changes in working capital:			
Adjustments for (increase)/ decrease in operating assets:			
Trade receivables		32.47	572.39
Loans		(3.59)	(0.31)
Other bank balances		150.56	(1,175.79)
Other financial assets		(1,768.68)	(28.19)
Other non financial assets		31.79	(30.22)
Adjustments for (increase)/ decrease in operating liabilities:			
Trade payables		424.00	(1,529.97)
Other financial liabilities		(294.64)	(620.83)
Other non financial liabilities		(22.01)	(77.84)
Provisions		452.32	60.49
Movement in Operating Assets and Liabilities		**(997.77)**	**(2,830.27)**
Cash generated from operations		**(641.76)**	**(1,318.60)**
Less: Income tax refund / (paid) (net)		176.01	(308.94)
Net cash flow/(used) in operating activities	(A)	**(465.75)**	**(1,627.54)**
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(107.40)	(35.26)
Sale of property, plant and equipment		0.97	1.15
Purchase of mutual funds		(3,320.00)	(1,875.00)
Sale of mutual funds		3,332.73	1,885.95
Net cash used in investing activities	(B)	**(93.70)**	**(23.16)**
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of equity share capital (net of issue expenses)		-	1,988.86
Repayment of borrowings		(1,046.94)	(1,209.29)
Proceeds from borrowings		3,000.00	508.86
Payment of lease liabilities		(112.30)	-
Interest paid on borrowings		(287.96)	(155.25)
Net cash flow from financing activities	(C)	**1,552.80**	**1,133.18**
Net (Decrease)/Increase in cash and cash equivalents	(A+B+C)	**993.35**	**(517.53)**
Cash and cash equivalents at the beginning of the year		978.48	1,496.02
Cash and cash equivalents at the end of the year		1,971.83	978.48
Reconciliation of cash and cash equivalents as per the cash flow statement		993.35	(517.53)

The accompanying notes are an integral part of the financial statements.
This is the statement of cash flows referred to in our report of even date.

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

Rahul Kumar Gupta
Partner
M.No.410082
Place-Delhi

Place: Gurugram
Date: June 03, 2020

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

PARTHA SENGUPTA Digitally signed by PARTHA SENGUPTA Date: 2020.06.03

Partha Sengupta
(CEO & WTD)
DIN: 08581580
Place: Bangalore

Manoj Kumar Jasoria
(Company Secretary)
(M No. - A24361)

H P Singh
(Director)
DIN: 00333754

Rahul Garg
(Chief Financial Officer)

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

Taraashna Financial Services Limited (Erstwhile Taraashna Services Limited)
Statement of Changes in Equity as on March 31, 2020
(All amounts in ₹ in lakhs, unless stated otherwise)

A Equity share capital

Particulars	Balance as at April 1, 2019	Change in equity share capital during the year	Balance as at March 31, 2020
Equity Share Capital	1,604.00	-	1,604.00

B Other equity

Particulars	Reserves and surplus		Total
	Securities premium	Retained earnings	
Balance as at April 01, 2019	**3,013.45**	**562.00**	**3,575.45**
Profit/(Loss) for the period	-	(99.56)	(99.56)
Other comprehensive income for the period	-	25.22	25.22
Addition during the period	-	-	-
Less: Share issue expenses	-	-	-
Balance as at March 31, 2020	**3,013.45**	**487.66**	**3,501.11**

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

This is the statement of changes in equity referred to in our report of even date.

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

Rohit Kumar Gupta
Partner
M.No.410082
Place- Delhi

Place: Gurugram
Date: June 03, 2020

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

PARTHA SENGUPTA

Partha Sengupta
(CEO & WTD)
DIN: 08581580
Place: Bangalore

H P Singh
(Director)
DIN: 00333754

Manoj Kumar Jasoria
(Company Secretary)
(M No. - A24361)

Rahul Garg
(Chief Financial Officer)

Taraashna Financial Services Limited (erstwhile Taraashna Services Limited)
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

1. Company overview/Corporate information

Taraashna Financial 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, disbursal of small value credit and recovery of principal/collection of interest. The company is presently operating in states of Punjab, Rajasthan, Gujarat, Madhya Pradesh, Maharashtra, Bihar & Uttar Pradesh.

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, 2020 were authorized and approved for issue by the Board of Directors on June 03, 2020.

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.

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.

RAJEEV BHATIA & ASSOCIATES * DELHI * Chartered Accountants

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.

Asset class	Useful life
Plant and machinery	6 - 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.

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.

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.

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.

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.

BHATIA & ASSOCIATES
DELHI
Chartered Accountants

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 cots 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.

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).

Rajeev Bhatia & Associates * Delhi * Chartered Accountants

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 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.

g) Share based payments

Share based compensation benefits are provided to employees via Satin Creditcare Network Limited ('Parent 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 Parent 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

RAJEEV BHATIA & ASSOCIATES
DELHI

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.

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the company deals with and the locations where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19

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.

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

l) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for building for office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii)the Company has the right to direct the use of the asset.

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

Certain lease arrangements includes the exclusive options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet.

RAJEEV BHATIA & ASSOCIATES DELHI

The Company as a lessor

The company does not have any leases as a lessor.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the prospective method and has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and corresponding right of use asset at the same value. Due to the prospective method applied, the comparatives as at and for the year ended March 31, 2019 will continue to be reported under the accounting policies included as part of our financial statements for year ended March 31, 2019.

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.

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.

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

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.

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'.

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

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.

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.

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.

SANJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

(This space has been intentionally left blank)

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

4 Property, plant and equipment

Gross Block	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicle[1]	Right of use asset[2]	Total
Balance as at April 01, 2018	**199.96**	**38.53**	**83.09**	**36.06**	**-**	**357.64**
Additions	18.80	8.90	7.56	-	-	35.26
Adjustments during the year	(1.70)	(1.22)	(0.46)	-	-	(3.38)
Balance as at March 31, 2019	**217.06**	**46.21**	**90.19**	**36.06**	**-**	**389.52**
Additions	69.15	20.36	17.90	-	320.74	428.15
Disposals	(2.13)	(0.54)	-	(36.06)	(112.67)	(151.40)
Balance as at March 31, 2020	**284.08**	**66.03**	**108.09**	**-**	**208.07**	**666.27**
Accumulated depreciation						
Balance as at April 01, 2018	**80.93**	**29.47**	**42.34**	**4.61**	**-**	**157.35**
Depreciation charge for the year	80.39	5.17	11.59	9.82	-	106.97
Adjustment on account of disposals	(0.71)	(0.98)	(0.06)	-	-	(1.75)
Balance as at March 31, 2019	**160.61**	**33.66**	**53.87**	**14.43**	**-**	**262.57**
Depreciation charge for the period	55.02	10.57	11.23	2.61	93.28	172.71
Adjustment on account of disposals	(1.43)	(0.19)	-	(17.04)	(27.57)	(46.23)
Balance as at March 31, 2020	**214.20**	**44.04**	**65.10**	**-**	**65.71**	**389.05**
Net block						
Balance as at March 31, 2019	56.45	12.55	36.32	21.63	-	126.95
Balance as at March 31, 2020	69.88	21.99	42.99	-	142.36	277.22

Notes:-
1. Vehicle had been mortgaged/pledged as security for borrowings, however the same has been stolen and insurance claim has been filed for the same. Any amount to be received from insurance company will be first adjusted towards outstanding balance of bowrrowing and the balance will be available to the Company.
2. Refer note 34

5 Other intangible assets

Gross Block	Software	Total
Balance as at April 01, 2018	**32.98**	**32.98**
Additions	-	-
Adjustments during the year	(12.52)	(12.52)
Balance as at March 31, 2019	**20.46**	**20.46**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2020	**20.46**	**20.46**
Accumulated depreciation		
Balance as at April 01, 2018	**28.48**	**28.48**
Depreciation charge	2.84	2.84
Disposals	(12.21)	(12.21)
Balance as at March 31, 2019	**19.11**	**19.11**
Depreciation charge	1.35	1.35
Disposals	-	-
Balance as at March 31, 2020	**20.46**	**20.46**
Net block		
Balance as at March 31, 2019	1.35	1.35
Balance as at March 31, 2020	-	-

RAJEEV BHATIA & ASSOCIATES DELHI

Taraashna Financial Services Limited (Erstwhile Taraashna Services Limited)
Notes forming part of Financial Statements for the year ended March 31, 2020
(All amounts in ₹ in lakhs, unless stated otherwise)

		As at March 31, 2020	As at March 31, 2019
6	**Loans (non current financial assets)**		
	Security deposits (unsecured, considered good)	14.50	10.74
		14.50	**10.74**
7	**Other financial assets (non current)**		
	Term deposits having remaining maturity of more than 1 year	3,118.83	1,868.96
		3,118.83	**1,868.96**

Note: There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting year and comparative years.

		As at March 31, 2020	As at March 31, 2019
8	**Current tax assets (net)**		
	Advance income-tax and tax deducted at source recievable	606.00	819.43
		606.00	**819.43**
9	**Deferred tax assets (net)**		
	Tax effect of items constituting deferred tax assets:		
	(a) Employee benefits	32.75	42.44
	(b) Depreciation and amortisation	25.46	26.62
	(c) Others	-	2.91
	(d) Allowance for first loss default guarantee	131.24	6.85
	(e) Minimum alternate tax credit entitlement	88.22	145.24
	(f) Measurement of financial assets and financial liabilities at amortised cost	3.31	0.69
		280.98	**224.75**
	Tax effect of items constituting deferred tax liabilities:		
	(a) Measurement of financial assets and financial liabilities at amortised cost	-	-
		-	-
	Deferred tax assets/(liabilities) (net)	**280.98**	**224.75**

Notes:

(i) Movement in deferred tax assets/(liabilities) for year ended March 31, 2020:

Particulars	As at April 1, 2019	Recognised in other comprehensive income	Recognised in statement of profit and loss	As at March 31, 2020
Tax effect of items constituting deferred tax assets:				
(a) Employee benefits	42.44	(9.72)	0.03	32.75
(b) Depreciation and amortisation	26.62	-	(1.16)	25.46
(c) Provision for first loss default guarantee	6.85	-	124.38	131.24
(d) Minimum alternate tax credit entitlement	145.24	-	(57.02)	88.22
(e) Measurement of financial assets and financial liabilities at amortised cost	0.69	-	2.62	3.31
(f) Others	2.91	-	(2.91)	-
	224.75	**(9.72)**	**65.95**	**280.98**
Tax effect of items constituting deferred tax liabilities:				
(g) Employee benefits	-	-	-	-
(h) Measurement of financial assets and financial liabilities at amortised cost	-	-	-	-
	-	-	-	-
Net deferred tax asset	**224.75**	**(9.72)**	**65.95**	**280.98**

RAJEEV BHATIA & ASSOCIATES DELHI

	As at March 31, 2020	As at March 31, 2019

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

Particulars	As at April 1, 2018	Recognised in other comprehensive income	Recognised in statement of profit and loss	As at March 31, 2019
Tax effect of items constituting deferred tax assets:				
(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	23.95	-	(17.10)	6.85
(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
	372.27	**(2.54)**	**(144.98)**	**224.75**
Tax effect of items constituting deferred tax liabilities:				
(i) Employee benefits	-	-	-	-
(j) Measurement of financial assets and financial liabilities at amortised cost	0.76	-	(0.76)	-
	0.76	**-**	**(0.76)**	**-**
Net deferred tax asset	**371.51**	**(2.54)**	**(144.22)**	**224.75**

10 Other non-current assets

	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	2.97	3.60
Prepaid gratuity	9.43	-
	12.40	**3.60**

11 Trade receivables

	As at March 31, 2020	As at March 31, 2019
Receivables considered good - unsecured	572.63	586.07
Less: Allowance for doubtful debts	-	-
	572.63	**586.07**

Based on past history of receivables, Management considered Nil allowances towards credit losses.

12 Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
On current account	1,341.05	847.94
Cash in hand	630.78	30.51
	1,971.83	**878.45**
Term deposits		
Term deposits for original maturity of 3 months or less	-	100.03
	-	100.03
	1,971.83	**978.48**

Note: There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting year and comparative years.

13 Other bank balances

	As at March 31, 2020	As at March 31, 2019
Term deposits for remaining maturity of 3 months or less	276.02	245.12
Term deposits for remaining maturity of more than 3 months and upto 1 year	1,230.47	1,411.93
	1,506.49	**1,657.05**

Note: The total term deposits of the Company with Banks amounts to Rs. 4,625.32 lakhs (Previous Year Rs. 3,626.04 lakhs) out of which Rs. 3,118.83 lakhs (Previous Year Rs. 1,868.96 lakhs) is shown as other financial assets (non current) and Rs. 1,506.49 lakhs (Previous Year Rs. 1,657.05 lakhs) as other bank balances. All these term deposits are lien marked by the Banks / NBFC against first loss/second loss default guarantees.

14 Loans (current financial assets)

	As at March 31, 2020	As at March 31, 2019
Security deposits (unsecured, considered good)	16.14	16.31
	16.14	**16.31**

* The carrying values are considered to be a reasonable approximation of fair value.

15 Other financial assets (current)

	As at March 31, 2020	As at March 31, 2019
Staff advance	45.06	39.11
Unbilled revenue	512.86	-
	557.92	**39.11**

The carrying values are considered to be a reasonable approximation of fair value.

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

Taraashna Financial Services Limited (Erstwhile Taraashna Services Limited)
Notes forming part of Financial Statements for the year ended March 31, 2020
(All amounts in ₹ in lakhs, unless stated otherwise)

17 Equity share capital	As at March 31, 2020	As at March 31, 2019
Authorised equity share capital		
300,00,000 (31 March 2019: 300,00,000) Equity shares of ₹10 each	3,000.00	3,000.00
	3,000.00	**3,000.00**
Issued, subscribed and paid up equity share capital		
1,60,40,025 (31 March 2019: 1,60,40,025) Equity shares of ₹10 each	1,604.00	1,604.00
	1,604.00	**1,604.00**

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	No. of shares	₹	No. of shares	₹
Equity share capital of ₹ 10 each fully paid up	As on March 31, 2020		As on March 31, 2019	
Balance at the beginning of the year	160,40,025	1,604.00	90,82,732	908.27
Add: Issued during the year	-	-	69,57,293	695.73
Balance at the end of the year	**160,40,025**	**1,604.00**	**160,40,025**	**1,604.00**

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

	As on March 31, 2020		As on March 31, 2019	
Equity share capital of Rs. 10 each fully paid up	No. of shares	% holding	No. of shares	% holding
Satin Creditcare Network Limited	160,40,025	100.00%	160,40,025	100.00%
	160,40,025	**100.00%**	**160,40,025**	**100.00%**

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

	As on March 31, 2020		As on March 31, 2019	
Equity share capital of Rs. 10 each fully paid up	No. of shares	% holding	No. of shares	% holding
Satin Creditcare Network Limited	160,40,025	100.00%	160,40,025	100.00%
	160,40,025	**100.00%**	**160,40,025**	**100.00%**

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.

RAJEEV BHATIA & ASSOCIATES
DELHI

Taraashna Financial Services Limited (Erstwhile Taraashna Services Limited)
Notes forming part of Financial Statements for the year ended March 31, 2020
(All amounts in ₹ in lakhs, unless stated otherwise)

18 Other equity	As at March 31, 2020	As at March 31, 2019
Securities premium (refer note 1 below)	3,013.45	3,013.45
Retained earnings	487.66	562.00
Total Other Equity	**3,501.11**	**3,575.45**

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.

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

Taraashna Financial Services Limited (Erstwhile Taraashna Services Limited)
Notes forming part of Financial Statements for the year ended March 31, 2020
(All amounts in ₹ in lakhs, unless stated otherwise)

	As at March 31, 2020	As at March 31, 2019
16 Other current assets		
Advances recoverable in kind	23.05	4.77
Prepaid expenses	53.52	80.48
Balance with government authorities	7.73	39.64
	84.30	**124.89**
19 Borrowings (non current financial liabilities)		
At amortised cost		
Term loans		
from financial institutions (unsecured)	351.30	-
Car loan from ICICI Bank (secured)	-	18.12
Lease liability (refer note 34)	136.91	-
	488.21	**18.12**

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

S No.	Terms of Repayments	March 31, 2020	March 31, 2019
(a)	**60 Monthly instalments of ₹ 58,395/- each**	**18.12**	**23.42**
	Current Portion	18.12	5.30
	Non Current Portion	-	18.12
(b)	**In 12 to 24 quarterly instalments**	**-**	**282.35**
	Current Portion	-	282.35
	Non Current Portion	-	-
(c)	**In 30 monthly instalments**	**740.51**	**-**
	Current Portion	389.21	-
	Non Current Portion	351.30	-
		758.63	**305.77**

(i) Car Loan from ICICI Bank was secured by way of hypothecation of assets purchased through loan, however the same has been stolen and insurance claim has been filed for the same. Any amount to be received from insurance company will be first adjusted towards outstanding balance of bowrrowing. Due to this, whole of the amount has been considered as current maturities.

(ii) Term loan of Rs. 740.51 (March 31, 2019 Rs. Nil) from Vivriti Capital (financial institution) taken during the year. This term loan is unsecured however Promoter Director has given personal guarantee as security for the same.

(iii) Term loan of Rs. Nil (March 31, 2019 Rs. 282.35) was taken from Jainson Finlease (financial institution). The same is fully repaid as on March 31, 2020.

	As at March 31, 2020	As at March 31, 2019
20 Provisions (Non Current)		
Provision for compensated absences	113.07	124.05
Provision for gratuity	-	3.66
	113.07	**127.71**
21 Borrowings (current financial liabilities)		
At amortised cost		
Cash credit facility from Bank (secured)	-	-
Credit facility from Bank (Unsecured)	0.37	0.17
Loan from related parties (Unsecured)	1,500.00	-
	1,500.37	**0.17**

Notes:

i) Cash credit facility includes Invoice discounting facility of Rs. 134 lakh provided by DCB bank secured against its own invoice. There is Nil balance outstanding against this facility as on March 31 2020 and March 31, 2019.

ii) Credit facility from bank includes credit card outstanding issued by RBL bank.

iii) Loan from related parties includes loan from holding company which is a revolving credit facility against sanctioned limit of Rs. 1500 lakh. The same is unsecured, repayble on demand and have a tenure of 5 years for each tranche.

RAJEEV BHATIA & ASSOCIATES

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

	As at March 31, 2020	As at March 31, 2019
22 Trade payables (Current Financial Liabilities)		
Dues of micro enterprises and small enterprises	2.24	-
Dues of other creditors	546.46	124.70
	548.70	**124.70**
23 Other financial liabilities (Current)		
Current Maturities of Long Term Borrowings		
Term loans from financial institutions (unsecured)	389.21	282.35
Car loan from ICICI Bank (secured)	18.12	5.30
Lease liability (refer note 34)	11.45	-
	418.78	287.65
Interest accrued but not due on long term borrowings	1.12	2.94
First loss default guarantee liability	244.67	523.15
Expenses payable	58.83	73.15
	723.40	**886.89**
24 Other current liabilities		
Statutory dues payable	63.98	85.99
	63.98	**85.99**
25 Provisions (Current)		
Provision for compensated absences	4.66	11.12
Provision for expected credit loss on First loss default guarantee	471.74	23.54
	476.40	**34.66**

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

(This space has been intentionally left blank)

Taraashna Financial Services Limited (Erstwhile Taraashna Services Limited)
Notes forming part of Financial Statements for the year ended March 31, 2020
(All amounts in ₹ in lakhs, unless stated otherwise)

	For the year ended March 31, 2020	For the year ended March 31, 2019
26 Revenue from operations		
(a) Income from business correspondents operations	6,554.74	6,240.66
(b) Other operating income		
Interest income from fixed deposits	336.37	216.70
	6,891.11	**6,457.36**
27 Other income		
(a) Other income		
Interest income on security deposit	3.19	1.46
Interest on Income tax refund	54.91	-
Miscellaneous income	15.35	69.34
(b) Other non-operating income		
Gain on sale of mutual funds	12.73	10.95
	86.18	**81.75**
28 Employee benefits expense		
Salaries, wages and bonus	3,414.19	3,189.50
Contribution to provident and other funds	355.97	247.40
Staff welfare expenses	30.49	29.70
Share based payments	26.16	66.17
	3,826.81	**3,532.77**
29 Finance costs		
Interest on borrowings	174.28	155.25
Interest expense on lease liability (refer note 34)	22.14	-
Interest on taxes	5.83	1.65
Other finance charges	113.68	89.12
	315.93	**246.02**
30 Depreciation and amortisation expense		
Depreciation on tangible assets	79.42	106.97
Amortisation on intangible assets	1.35	2.84
Amortisation on right of use assets (refer note 34)	93.29	-
	174.06	**109.81**

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

Taraashna Financial Services Limited (Erstwhile Taraashna Services Limited)
Notes forming part of Financial Statements for the year ended March 31, 2020
(All amounts in ₹ in lakhs, unless stated otherwise)

	For the year ended March 31, 2020	For the year ended March 31, 2019
31 Other expenses		
Rent (refer note 34)	152.70	239.97
Travelling and conveyance	119.80	182.80
Repair and maintainance	18.90	17.55
Printing and stationery	80.65	79.10
Communication cost	72.75	137.75
Insurance charges	79.82	85.33
Website and email maintainance charges	94.70	65.02
Rates and taxes	79.00	62.84
Electricity charges	36.47	38.30
Loss on sale of assets	2.95	0.79
Freight and cartage	3.53	4.37
Auditor's remuneration*	10.00	6.50
Business promotion	5.22	4.57
Commission paid	5.32	1.00
Legal and professional charges	18.86	15.99
Allowance for first loss default guarantee	471.74	23.54
Expense on first loss default guarantee invoked (net of recovery)	1,338.59	260.61
CSR expenditure	2.80	-
Director sitting fees	1.10	1.20
Balance write off	32.69	-
Miscellaneous expenses	6.58	3.68
Office expenses	123.22	130.95
Postage and courier	21.47	31.88
	2,778.86	**1,393.74**

Note*: Auditors remuneration includes payments as follows:		
(a) Statutory audit	5.00	5.00
(b) Tax audit	1.50	1.50
(c) Certification fee and other services	3.50	-
	10.00	**6.50**

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

Taraashna Financial Services Limited (Erstwhile Taraashna Services Limited)
Notes forming part of Financial Statements for the year ended March 31, 2020
(All amounts in ₹ in lakhs, unless stated otherwise)

	For the year ended March 31, 2020	For the year ended March 31, 2019
32 Earnings/(Loss) per equity share (EPS)		
Net profit/(Loss) for the year	(99.56)	841.88
Weighted average number of equity shares for EPS	160,40,025	145,31,105
Par value per share	10	10
Earnings per share - Basic and diluted	**(0.62)**	**5.79**
33 Tax expense		
Current tax (including taxes earlier years)	41.17	270.67
Deferred tax expense/(credit)	(122.96)	289.46
	(81.79)	**560.13**

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 27.82% and the reported tax expense in profit or loss are as follows:

Accounting profit before income tax	**(118.37)**	**1,256.77**
At country's statutory income tax rate of 27.82% (March 31, 2019: 29.12%)	(32.93)	365.97
Adjustments in respect of taxes earlier years		
(i) Difference due to loss on dispose of assets as per books and Income Tax Act, 1961	(0.82)	(0.23)
(ii) Due to change in rate	(38.00)	187.68
(iii)Others	(10.04)	6.71
	(81.79)	**560.13**

34 Leases

The Company has taken various office premises under operating lease arrangements. Generally, the lease term varies from 11 months to 60 months and is renewable under mutually agreed terms between lessee and lessor. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The company has considered leases having initial lease term of upto 12 months as short term leases as per para 6 of Ind AS 116 and thier expenses have been recognised as Rent under note 31. For all other leases having lease term of more than 12 months a right of use asset is recognised with a corresponding lease liability. The right of use asset is disclosed under Property, Plant and Equipement and lease liability is disclosed under Borrowings. Further disclosures as on March 31, 2020 are as follows:

The following is a reconciliation of the financial statement line items from Ind AS 17 to Ind AS 116 as at 1st April 2019:

Particulars	Property, plant and equipment	Lease liabilities
Opening amount as at April 01, 2019	-	-
Reclassification	-	-
Remeasurement	241.26	241.26
Carrying amount as at April 01, 2019	241.26	241.26

The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements to 31 March 2019) to the lease liabilities recognised at 1 April 2019:

Particulars	March 31, 2020
Total operating lease commitments disclosed at March 31, 2019*	372.71
Recognition exemptions:	
Leases of low value assets	-
Leases with remaining lease term of less than 12 months	(94.13)
Variable lease payments not recognised	-
Other minor adjustments relating to commitment disclosures	-
Operating lease liabilities before discounting	278.58
Discount rate	11.00%
Discounted using incremental borrowing rate	241.26
Operating lease liabilities	-
Reasonably certain extension options	-
Finance lease obligations	-
Total lease liabilities recognised under Ind AS 116 at April 01, 2019	241.26

* Operating lease commitments were Rs. Nil as at March 31, 2019, however the same has been recalculated as on April 01, 2019 for adoption of Ind AS 116.

RAJEEV BHATIA & ASSOCIATES DELHI

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Particulars	Righ of use asset Office Premises
Total number of leases	218
Number of leases considered as short term leases	162
No. of right-of use assets leased	56
Range of remaining term	Upto 60 months
Average remaining lease term	7 months
No. of leases with extension options	98
No. of leases with purchase options	0
No. of leases with variable payments linked to an index	0
No. of leases with termination options	218

Additional information on the right-of-use assets by class of assets is as follows:

Particulars	Righ of use asset Office Premises
Carrying amount as on March 31, 2019	-
Reclassified on account of adoption of Ind AS 116	241.26
Additions	79.48
Depreciation	93.28
Deletion	85.10
Carrying amount as on March 31, 2020	142.36

Lease liabilities are presented in the statement of financial position as follows:

Particulars	March 31, 2020
Current	11.45
Non-current	136.91
Total	**148.36**

At 31 March 2020 the Company do not have any committed leases which had not commenced.

The undiscounted maturity analysis of lease liabilities at 31 March 2020 is as follows:

Particulars	Lease payments	Finance charges	Net present values
Within 1 year	80.66	11.45	69.21
1-2 years	53.12	5.11	48.01
2-5 years	34.07	2.93	31.14
Total	**167.85**	**19.49**	**148.36**

The Company has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed as incurred. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The expense relating to payments not included in the measurement of the lease liability is as follows:

Operating leases

The Company has taken on lease certain assets under operating lease arrangements. The contractual future minimum lease payment obligation in respect of these leases are as under:

Office premises

Particulars	March 31, 2020
Short term leases	152.70
Leases of low value assets	-
Variable lease payments	-
Total	**152.70**

The Company had total cash outflows for leases of Rs. 261.84 lakh in March 31, 2020 (Rs. 239.97 lakh in March 31, 2019).

The following are the amounts recognised in profit or loss:

Particulars	March 31, 2020
Depreciation expense of right-of-use assets	93.28
Interest expense on lease liabilities	22.14
Expense relating to short-term leases (included in other expenses)	152.70
Expense relating to leases of low-value assets (included in other expenses)	-
Variable lease payments (included in other expenses)	-
Total amount recognised in profit or loss	**268.12**

RAJEEV BHATIA & ASSOCIATES * DELHI * Chartered Accountants

The Company does not have any lease contracts that contains variable payments.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

Particulars	Within five years	More than five years	Total
Extension options expected not to be exercised (Count)	14	-	14
Termination options expected to be exercised (Count)	-	-	-
Extension options expected not to be exercised (Amount in Lakhs)	41.77	-	41.77
Termination options expected to be exercised (Amount in Lakhs)	-	-	-

Since the company has adopted Ind AS 116 w.e.f. April 1, 2019 prospectively, comparitive figures are not required to be disclosed in accordance with standard.

35 Contingent liability, capital or other commitment

The Company has NIL (previous year NIL) Contingent liability, capital or other commitment as on March 31, 2020.

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, 2020 are as follows:

Name of Partner	March 31, 2020		March 31, 2019	
	AUM	FDR balance for FLDG	AUM	FDR balance for FLDG
Yes Bank Ltd.	25814.67	1426.45	22,926.17	1,256.33
RBL Bank Ltd.	3272.02	6.22	8,258.08	5.79
Reliance Commercial Finance Ltd.	1154.07	566.24	7,755.49	528.10
DCB Bank Ltd.	18527.49	1435.36	20,936.64	1,643.79
Indusind Bank Ltd.	0.51	24.04	458.58	81.45
Northern Arc Capital Ltd.	22.42	0.00	24.85	-
State Bank of India	0.00	5.13	61.15	10.55
IDFC First Bank Ltd.	21600.27	1161.81	-	-
Hiranandani Financial Services Pvt. Ltd.	12.15	0.07	-	-
Total	**70,403.60**	**4,625.32**	**60,420.95**	**3,526.01**

FDR balance includes accrued interest.

37 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at March 31, 2020	As at March 31, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	2.24	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

RAJEEV BHATIA & ASSOCIATES * DELHI * Chartered Accountants

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

38 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	Name 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	
Fellow subsidiary company	Satin Finserv Limited Satin Housing Finance Limited	
Key management personnel (KMP)	Harvinder Pal Singh	Director
	Partha Sengupta	CEO & Whole Time Director (w.e.f. October 14, 2019)
	Sanjeev Vij	CEO & Whole Time Director (till October 14, 2019)
	Abhay Thakkar	Chief Financial Officer (till April 10, 2020)
	Rahul Garg	Chief Financial Officer (w.e.f. June 03, 2020)
	Manoj Kumar Jasoria	Company Secretary (w.e.f. October 25, 2019)
	Prashant Sharma	Company Secretary (till October 25, 2019)

b. Transactions with Related Parties are as under:

(i) Transactions during the year	For the year ended March 31, 2020	For the year ended March 31, 2019
Holding Company		
Satin Creditcare Network Limited		
Issue of Equity Shares	-	2,000.00
Rent	0.85	0.60
Share based payments	26.16	66.17
Management Services	65.59	32.16
Interest paid	32.38	-
Loan taken	1,500.00	-
Fellow subsidiary company		
Satin Finserv Limited		
Income from business correspondents operations	18.57	-
Entities over which KMP having significant influence		
Niryas Food Products Private Limited		
Received amount of loan instalment deducted from creditors of milk products	38.15	125.47

RAJEEV BHATIA & ASSOCIATES * Chartered Accountants * DELHI

Taraashna Financial Services Limited (Erstwhile Taraashna Services Limited)
Notes forming part of Financial Statements for the year ended March 31, 2020
(All amounts in ₹ in lakhs, unless stated otherwise)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Key management personnel (KMP)		
Partha Sengupta (w.e.f. October 15, 2019)		
Remuneration	26.81	-
Sanjeev Vij (till October 15, 2019)		
Remuneration	69.26	85.69
Abhay Thakkar		
Remuneration	14.57	11.97
Prashant Sharma (till October 25, 2019)		
Remuneration	5.14	8.07
Manoj Kumar Jasoria (w.e.f. October 25, 2019)		
Remuneration	3.81	-

(ii) Balance outstanding	As at March 31, 2020	As at March 31, 2019
Trade Receivables		
Niryas Food Products Private Limited	-	3.10
Trade Payables		
Satin Creditcare Network Limited	-	66.17
Satin Finserv Limited	-	-
Short term loan (revolving credit facility)		
Satin Creditcare Network Limited	1,500.00	-

With respect to the key management personnel, disclosure has been given for those persons and thier relatives with whom the Company has made transactions during the year.

Key management personnel remuneration includes the following expenses:	For the year ended March 31, 2020	For the year ended March 31, 2019
Short-term employee benefits	119.59	105.73
Post-employment benefits	1.09	4.46
Share based payment benefits	14.94	64.91
Other long term benefits	0.86	1.54
Total remuneration	**136.48**	**176.63**

RAJEEV BHATIA & ASSOCIATES * DELHI * Chartered Accountants

(This space has been left blank intentionally)

39 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 ₹ 341.72 lakhs (March 31, 2019 ₹ 247.40 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, 2020	As at March 31, 2019
Present value of obligation	98.87	121.53
Fair value of plan assets	108.30	117.87
Net obligation recognised in balance sheet as provision	**9.43**	**(3.66)**

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

Particulars	For the year ended March 31,2020	For the year ended March 31, 2019
Service cost	21.57	43.56
Net interest cost /(income)	0.28	(0.10)
Interest cost on defined benefit obligation	-	-
Net impact on profit (before tax)	**21.85**	**43.47**
Actuarial (gain)/loss recognised during the year	(34.94)	(8.72)
Amount recognised in the statement of profit and loss and other comprehensive income	**(13.09)**	**34.74**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation as at the beginning of year	121.53	84.21
Service cost	21.57	43.56
Interest cost	9.31	6.57
Benefits paid	(15.99)	(4.09)
Actuarial loss/(gain) on obligation		
Actuarial (gain)/loss on arising from change in demographic assumption	(39.57)	-
Actuarial (gain)/loss on arising from change in financial assumption	(14.13)	1.53
Actuarial (gain)/loss on arising from experience adjustment	16.15	(10.25)
Present value of defined benefit obligation as at the end of the year	**98.87**	**121.53**

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

Taraashna Financial Services Limited (Erstwhile Taraashna Services Limited)
Notes forming part of Financial Statements for the year ended March 31, 2020
(All amounts in ₹ in lakhs, unless stated otherwise)

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

Particulars	As at March 31, 2020	As at March 31, 2019
Funds managed by insurer	100%	100%
Total	**100%**	**100%**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets at beginning of year	117.87	85.43
Actual return on plan assests (net of fund charges)	6.42	3.52
Employer's contribution	-	33.01
Benefits paid	(15.99)	(4.09)
Fair value of plan assets at the end of the year	**108.30**	**117.87**

(vi) **Actuarial assumptions**

Particulars	For the year ended March 31,2020	For the year ended March 31, 2019
Discounting rate	6.76%	7.66%
Future salary increase	4.00%	6.00%
Retirement age (years)	60.00	60.00
Withdrawal rate		
Up to 30 years	56.21%	8.00%
From 31 to 44 years	43.75%	8.00%
Above 44 years	50.00%	8.00%
Weighted average duration	1.36	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.

Assumptions for acturial valuation is based on experience on past data updated till the reproting date of the Company regarding movement of emoloyees.

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

Particulars	As at March 31, 2020	As at March 31, 2019
Impact of the change in discount rate		
Present value of obligation at the end of the year	**98.87**	**121.53**
- Impact due to increase of 0.50 %	(0.94)	(5.73)
- Impact due to decrease of 0.50 %	0.97	6.22
Impact of the change in salary increase		
Present value of obligation at the end of the year	**98.87**	**121.53**
- Impact due to increase of 0.50 %	0.99	6.29
- Impact due to decrease of 0.50 %	(0.97)	(5.84)

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

(viii)

Maturity profile of defined benefit obligation	As at March 31, 2020	As at March 31, 2019
0 to 1 year	33.00	11.12
1 to 2 year	27.17	3.26
2 to 3 year	15.49	5.38
3 to 4 year	8.34	6.18
4 to 5 year	4.51	6.82
5 to 6 year	2.46	6.83
6 year onwards	7.90	81.95

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

Taraashna Financial Services Limited (Erstwhile Taraashna Services Limited)
Notes forming part of Financial Statements for the year ended March 31, 2020
(All amounts in ₹ in lakhs, unless stated otherwise)

B Compensated absences (non-funded)

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

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of obligation	117.73	135.17
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	**117.73**	**135.17**

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

Particulars	For the year ended March 31,2020	For the year ended March 31, 2019
Total service cost	51.63	58.40
Net interest cost on defined benefit obligation	10.35	8.63
Net actuarial (gain)/loss recognised during the year	(79.42)	(42.46)
Amount recognised in the statement of profit and loss	**(17.44)**	**24.57**

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

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

40 Financial instruments

A Financial assets and liabilities

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

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
Financial assets measured at amortised cost			
Cash and Cash equivalents	12	1,971.83	978.48
Bank balances other than above	7, 13	4,625.32	3,526.01
Receivables	11	572.63	586.07
Security deposits	6, 14	30.64	27.05
Other financial assets	15	557.92	39.11
Total		**7,758.34**	**5,156.72**
Financial liabilities measured at amortised cost			
Payables	22	548.70	124.70
Borrowings (other than debt securities but including interest accrued)	19, 21, 23	2,408.48	308.88
Other financial liabilities	23	303.50	596.30
Total		**3,260.68**	**1,029.89**

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, 2020		As at March 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and Cash equivalents	1,971.83	1,971.83	978.48	978.48
Bank balances other than above	4,625.32	4,625.32	3,526.01	3,526.01
Receivables	572.63	572.63	586.07	586.07
Security deposits	30.64	30.64	27.05	27.05
Other financial assets	557.92	557.92	39.11	39.11
Total	**7,758.34**	**7,758.34**	**5,156.72**	**5,156.72**
Financial liabilities				
Payables	548.70	548.70	124.70	124.70
Borrowings (other than debt securities but including interest accrued)	2,408.48	2,281.30	308.88	242.72
Other financial liabilities	303.50	303.50	596.30	596.30
Total	**3,260.68**	**3,133.50**	**1,029.89**	**963.73**

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, 2020 was assessed to be insignificant.

(iii) The fair values of the Company fixed interest-bearing debt securities, borrowings and subordinalted 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, 2020 was assessed to be insignificant.

RAJEEV BHATIA & ASSOCIATES * Chartered Accountants * DELHI

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

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 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 measured at amortised cost.	Ageing analysis.	Bank deposits, diversification of asset base, credit limits and collateral.
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 under the 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 assests, 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 characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(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 other financial assets	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 loss
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, 2020	As at March 31, 2019
(i) **Low credit risk on financial reporting date**		
Bank Balance in current accounts & in Fixed Deposits	1,341.05	947.96
Bank balances other than above	4,625.32	3,526.01
Security deposits	30.64	27.05
Other financial assets	557.92	39.11
Receivables	572.63	586.07
(ii) **Moderate credit risk**	-	-
(iii) **High credit risk**	-	-

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

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

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

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. Ratings are monitored periodically and the Compnay has considered the latest available credit ratings in view of COVID – 19 as at the date of approval of these financial statements.

Receivables

Trade receivables measured at amortized cost and credit risk related to these are managed by monitoring the recoverability of such amounts continuously.

Other financial assets

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

i) 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 invetments are in mutual funds, certificate of depsoits 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, 2020	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	1,341.05	0%	-	1,341.05
Bank balances other than above	4,625.32	0%	-	4,625.32
Security deposits	30.64	0%	-	30.64
Other financial assets	557.92	0%	-	557.92

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	947.96	0%	-	947.96
Bank balances other than above	3,526.01	0%	-	3,526.01
Security deposits	27.05	0%	-	27.05
Other financial assets	39.11	0%	-	39.11

ii) The company has off books portfolio of loans which is being managed on behalf of principle partners. The company has provide fixed deposits to the principle partners against first loss defaul guarantee. The said fixed deposits are lien marked to the concerned principle partners.

The company records first loss default guarantee liablilty based on contract terms with each principle partners as on each reporting date. Along with first loss default guarantee liability the company also recognize loss allowance measured on lifetime expected credit loss as on each reporting date.

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.

(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, 2020	As at March 31, 2019
- 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
Drawn	0.37	0.17
Undrawn	144.63	144.83
- 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 and have an average maturity of 1 year.

RAJEEV BHATIA & ASSOCIATES * DELHI * Chartered Accountants

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

(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, 2020	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Cash and Cash equivalents	1,971.83	-	-	-	1,971.83
Bank balances other than above	1,506.49	-	-	-	1,506.49
Receivables	572.63	-	-	-	572.63
Loans	16.14	3.26	4.31	6.93	30.64
Other financial assets	557.92	3,118.83	-	-	3,676.75
Total undiscounted financial assets	**4,625.01**	**3,122.09**	**4.31**	**6.93**	**7,758.34**
Financial liabilities					
Borrowings (other than debt securities but including interest accrued)	757.41	637.63	231.83	1,892.25	3,519.12
Payables	548.70	-	-	-	548.70
Other financial liabilities	303.50	-	-	-	303.50
Total undiscounted financial liabilities	**1,609.61**	**637.63**	**231.83**	**1,892.25**	**4,371.32**
Net undiscounted financial assets/(liabilities)	**3,015.40**	**2,484.46**	**(227.52)**	**(1,885.32)**	**3,387.02**

As at March 31, 2019	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Cash and Cash equivalents	978.48	-	-	-	978.48
Bank balances other than above	1,657.05	-	-	-	1,657.05
Receivables	586.07	-	-	-	586.07
Loans	16.31	4.53	0.50	5.71	27.05
Other financial assets	39.11	1,868.96	-	-	1,908.07
Total undiscounted financial assets	**3,277.03**	**1,873.49**	**0.50**	**5.71**	**5,156.72**
Financial liabilities					
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	-	-	-	596.30
Total undiscounted financial liabilities	**1,037.91**	**7.01**	**7.01**	**6.39**	**1,058.32**
Net undiscounted financial assets/(liabilities)	**2,239.12**	**1,866.48**	**(6.51)**	**(0.68)**	**4,098.40**

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, 2020, 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.

41 Capital management

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and 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, 2020	March 31, 2019
Borrowings (other than debt securities)	2,407.36	305.94
Other financial liabilities - Interest Accrued	1.12	2.94
Less: Cash and Cash Equivalents	(1,971.83)	(978.48)
Total borrowings/Net debt*	**436.65**	**(669.60)**
Equity Share Capital	1,604.00	1,604.00
Other Equity	3,501.11	3,575.45
Total equity/Capital and net debt	**5,105.11**	**5,179.45**
Net debt to equity ratio /Gearing ratio	0.09	(0.13)

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

Taraashna Financial Services Limited (Erstwhile Taraashna Services Limited)
Notes forming part of Financial Statements for the year ended March 31, 2020
(All amounts in ₹ in lakhs, unless stated otherwise)

42 Impact of COVID-19 Pandemic

The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. Numerous governments and companies, including the our Company, have introduced a variety of measures to contain the spread of the virus. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended by 19 days across the country to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company.

A Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, investments, property plant & equipment and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Company. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

B Loss allowance for other receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

C Revenue from Operations

The Company has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts;(ii) onerous obligations;(iii) penalties relating to breaches of service level agreements, and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

D Impairment assessment of Property plant and equipment, Intangible assets

The Company is engaged primarily in providing micro finance services to women in the rural areas of India on behalf of its principle partners who are enrolled as members and organized as Joint Liability Groups ('JLG'). Considering the nature of business the Company does not have major PP&E assets. As at March 31, 2020, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions consequent to the change in estimated future economic conditions on account of possible effects relating to Covid 19 is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating unit.

E Credit risk on cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks. Company also invests in mutual funds and reviews the portfolio on regular basis. Mutual Funds with high quality portfolio are preferred.
Company has considered the latest available information in view of COVID – 19 as at the date of approval of these financial statements.

F Contingencies

The economic consequences and uncertainties resulting from the Coronavirus itself or from actions taken by governments and the company to respond to the outbreak may have an impact on contingent liability. Liabilities previously meeting or not meeting the definition of a contingent liability may need to be reconsidered for the purpose of disclosure in financial statement. Same has been duly considered by the management.

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

Taraashna Financial Services Limited (Erstwhile Taraashna Services Limited)
Notes forming part of Financial Statements for the year ended March 31, 2020
(All amounts in ₹ in lakhs, unless stated otherwise)

43 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at-least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. The funds were primarily allocated to a corpus and utilized through the year on these activities, which are specified in Schedule VII of the Companies Act, 2013.

a. Gross amount required to be spent by the company during the year is Rs. 2.78 lakhs .
b. Amount spent during the year on:

Particulars	In Cash	Yet to be paid in Cash	Total
1. Construction/acquisition of an asset	-	-	-
2. On purpose other than (1) above	2.80	-	2.80

44 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
March 31, 2019	**305.94**
Cash flows (net)	1,961.01
Non cash flows	140.41
March 31, 2020	**2,407.36**

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

45 Assets hypothecated as security

The carrying amounts of assets hypothecated as security are:

Particulars	March 31, 2020	March 31, 2019
First charge	-	21.63
Total assets hypothecated as security	**-**	**21.63**

46 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

Rohit Kumar Gupta
Partner
M.No.410082
Place- Delhi

Place: Gurugram
Date: June 03, 2020

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

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

PARTHA SENGUPTA Digitally signed by PARTHA SENGUPTA Date: 2020.06.03 16:45:36 +05'30'

Partha Sengupta
(CEO & WTD)
DIN: 08581580
Place: Bangalore

H P Singh
(Director)
DIN: 00333754

Manoj Kumar Jasoria
(Company Secretary)
(M No. - A24361)

Rahul Garg
(Chief Financial Officer)