

INDEPENDENT AUDITOR'S REPORT

To The Members of "JANAKALYAN CONSULTANCY & SERVICES PVT LTD"

1. Report on the Financial Statements

We have audited the accompanying financial statements of "JANAKALYAN CONSULTANCY & SERVICES PVT LTD" ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standard) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the design, implementation and maintenance of internal control 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.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of



the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion

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

5. Report on Other Legal and Regulatory Requirements

- (i) 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 knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from Directors as on March 31, 2018, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B to this report;




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

- i. The Company does not have any pending litigations as on 31st March 2018.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses except for employees benefit under AS-15.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**For SRB & Associates
Chartered Accountants
Firm Registration No: 310009E**




**Biswanath Paul
(Partner)
M. No. 068186**

Place: Kolkata
Date: 05.05.2018

Annexure referred to in paragraph 2 under the heading "Report on other legal and regulatory requirements" of our Report of even date, we report that:

Re: "JANAKALYAN CONSULTANCY & SERVICES PVT LTD".

I. In respect of fixed assets:

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- c. According to the information and explanations given by the management, there are no immovable properties included in fixed assets of the company and accordingly the requirements under clause 3(i)(c) of the order are not applicable to the Company.

II. In respect of Inventories:

The company's business does not involve inventories. Accordingly the requirements under paragraph 3(ii) of the order are not applicable to the Company.

III. In respect of Loan:

According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms Limited Liability Partnerships or other parties covered in the register maintained under section 189 of Companies Act, 2013. Accordingly the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.

IV. In our opinion and according to the information and explanations given to us, the company has not granted loans or provided any guarantee or security to parties covered under section 185 of the company act, 2013.

Since the company is a Non-Banking Financial Company-Micro Finance Institution engaged in the business of providing loans, it is exempted under section 186(11) of the companies Act 2013 and hence the provisions of section 186 are not applicable to the company.

V. The company has not accepted any deposits from the public.

VI. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the services rendered by the company.



VII. In respect of Statutory dues:

- a. According to the records of the company the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, Service Tax, sales tax, custom duty, excise duty and Cess were in arrears, as at 31st March, 2018, for a period of more than six months from the date they became payable."
- c. According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and Cess which have not been deposited on account of any dispute.

VIII. In our opinion and according to the information and explanations given by the management, the company has not defaulted in repayment of dues to a financial institution, bank or Government.

IX. According to the information and explanation given by the management, the company has not raised any money by way of initial public offer or further public offer, hence not commented upon.

Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

X. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no material fraud by the company or on the company by the officers and employees of the company has been noticed or reported during the year.

XI. According to the information and explanations given by the management, the managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197, read with schedule V to the Act.

XII. In our opinion, the company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the company and hence not commented upon.

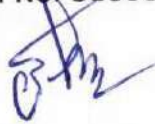
XIII. According to the information and explanations given by the management, transactions with the related parties are in Compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.



- XIV. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting requirements under clause 3 (xiv) are not applicable to the company and, not commented upon.
- XV. According to the information and explanations given by the management, the company has not entered into any non-cash transaction with directors or persons connected with him.
- XVI. According to the information and explanations given to us, we report that the company has registered as required, under section 45-1A of the Reserve Bank of India Act, 1934.

For SRB & Associates
Chartered Accountants
Firm Registration No: 310009E




Biswanath Paul
(Partner)
M. No. 068186

Place: Kolkata
Date: 05.05.2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to In paragraph 1 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

Report on internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

To the Members of "JANAKALYAN CONSULTANCY & SERVICES PVT LTD".

We have audited the internal financial controls over financial reporting of "**JANAKALYAN CONSULTANCY & SERVICES PVT LTD**", as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



Meaning of Internal Financial controls over Financial Reporting;

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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


Opinion

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

Place: Kolkata
Date: 05.05.2018



**For SRB & Associates
Chartered Accountants
Firm Registration No: 310009E**


**Biswanath Paul
(Partner)
M. No. 068186**


JANAKALYAN CONSULTANCY & SERVICES PRIVATE LIMITED

		₹	₹
BALANCE SHEET AS AT	Note	31ST MARCH, 2018	31ST MARCH, 2017
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	122,990,900	55,272,000
Reserves & Surplus	4	108,520	(2,263,455)
		123,099,420	53,008,545
NON-CURRENT LIABILITIES			
Long Term Borrowings	5	167,706,066	-
Deferred Tax Liability (Net)		130,000	68,000
		167,836,066	68,000
CURRENT LIABILITIES			
Short Term Borrowings	6		100,000,000
Trade Payables	7	221,233,657	448,920
Other Current Liabilities	8	3,176,169	333,211
Short term provisions	9	324,373,741	45,050
		7,665,022	556,448,589
			100,827,181
TOTAL		847,384,075	153,903,726
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	10		
-Tangible Assets		2,831,076	1,901,595
-Intangible Assets		326,793	35,940
Long term loans and advances	11	1,107,500	322,690
		4,265,369	2,260,225
CURRENT ASSETS			
Cash and Cash Equivalents	12	113,122,817	144,385,003
Short term loans and advances	13	705,919,280	4,615,710
Other current assets	14	24,076,609	2,642,788
		843,118,706	151,643,501
TOTAL		847,384,075	153,903,726

Significant Accounting Policies and Notes 1 & 2

The accompanying notes are forming an integral part of these Financial Statements

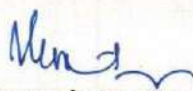
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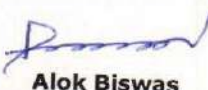

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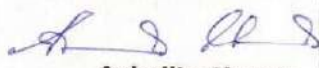
Date :05.05.2018
Place:Kolkata



For and on behalf of the Board of Directors


Sunanda Kr. Mitra
Chairman


Alok Biswas
Managing Director

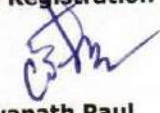

Anindita Chanda
Company Secretary

JANAKALYAN CONSULTANCY & SERVICES PRIVATE LIMITED

		₹	₹
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED		31ST MARCH, 2018	31ST MARCH, 2017
	Note		
Revenue from Operations	15	112,168,604	47,427
Other Income	16	4,510,354	1,107,093
Total Revenue		116,678,958	1,154,520
EXPENSES			
Employee Benefits Expenses	17	32,823,822	1,358,751
Depreciation	10	623,100	164,832
Finance Cost	18	62,115,978	46,575
Other Expenses	19	11,062,111	1,734,767
Provisions and Write-offs	20	7,011,478	45,050
Total Expenses		113,636,489	3,349,975
Profit before Tax		3,042,469	(2,195,455)
Tax Expenses:			
(1) Current Tax		608,494	-
(2) Deferred Tax (Assets)/Liabilities		62,000	68,000
(3) Tax of Earlier Years		-	-
Total Tax Expenses		670,494	68,000
Profit for the Year		2,371,975	(2,263,455)
Earning Per Equity Share			
(1) Basic		0.28	(0.97)
(2) Diluted		0.28	(0.97)

Significant Accounting Policies and Notes 1 & 2
 The accompanying notes are forming an integral part of these Financial Statements

For SRB & Associates
Chartered Accountants
Firm Registration No. 310009E

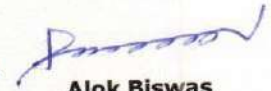

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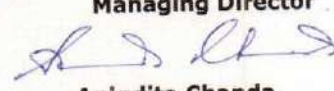
Date :05.05.2018
 Place:Kolkata



For and on behalf of the Board of Directors


Sunanda Kr. Mitra
Chairman


Alok Biswas
Managing Director


Anindita Chanda
Company Secretary

JANAKALYAN CONSULTANCY & SERVICES PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	2017-18	2016-17
	RUPEES (₹)	RUPEES (₹)
Cash Flow From Operating Activities :		
Profit Before Tax and extraordinary items	3,042,462	(2,195,455)
Adjustments for :		
Loan Loss Provisions	7,011,478	45,050
Depreciation	140,857	164,832
Operating Profit Before Working Capital Changes	10,194,797	(1,985,573)
(Increase)/Decrease in Micro Finance Loans	(701,147,849)	(4,505,000)
(Increase)/Decrease in Other Loans & advances	(784,810)	(322,690)
(Increase)/Decrease in Other Current Assets	(21,107,292)	(2,753,498)
Increase/(Decrease) in Trade Paybles	2,727,249	448,920
Increase/(Decrease) in Current Liabilities	5,926,684	333,211
Net Cash Provided By/(Used In)		
Operating Activities (A)	(704,191,221)	(8,784,630)
Cash Flow From Investing Activities		
Purchases of Fixed Assets	1,843,434	2,102,367
Net Cash Provided By/(Used In)		
Investing Activities (B)	(1,843,434)	(2,102,367)
Cash Flow From Financing Activities :		
Increase in Borrowings	607,053,569	100,000,000
Proceeds From Issuance of Share Capital	67,718,900	55,272,000
Net Cash Provided By/(Used In)		
Financing Activities (C)	674,772,469	155,272,000
Net Increase In Cash And Cash		
Equivalents (A+B+C)	(31,262,186)	144,385,003
Cash And Cash Equivalents At The		
Begining of The Year	144,385,003	-
Cash And Cash Equivalents At The		
End of The Year	113,122,817	144,385,003
Cash And Cash Equivalents Comprises of :		
1. Cash In Hand	47,908	57,268
2. Balances With Scheduled Banks	113,074,909	144,327,735
	113,122,817	144,385,003

As per our report of even date annexed herewith

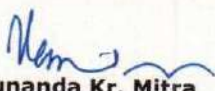
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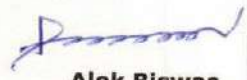

Biswanath Paul
(Partner)
M. No.068186

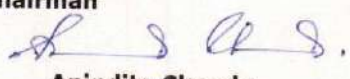


Place : Kolkata
Date :05.05.2018

For and on behalf of the Board of Directors


Sunanda Kr. Mitra
Chairman


Alok Biswas
Managing Director


Anindita Chanda
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

Note-1 NATURE OF OPERATION:

JANAKALYAN CONSULTANCY & SERVICES PRIVATE LIMITED" (here in after refers as the Company or JCSPL) is engaged in Micro Finance lending activities for providing financial services to economically weaker section in the rural and urban areas of India. JCSPL provides small value collateral free loans for income generating activities, solar loan and education loan to economically weaker section according to the guidelines of Reserve Bank of India vide Notification No. DNBS.CC.PD.No. 250/03.10.01/2011-12 dated 2nd December, 2011.

All financial transactions are conducted in group meetings organised near the inhabitats of these women. The operations, in the initial stages of group formations, involves efforts on development training on financial discipline, and later constant monitoring through meetings and providing financial and support services at the doorstep of the borrowers to ensure high rate of recovery.

Note-2 SIGNIFICANT ACCOUNTING POLICIES:

2.01 Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principle in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read with paragraph 7 of the Companies (Accounts) Rule 2014 and the provisions of the Reserve Bank of India (RBI) as applicable to a Non Banking Financial Company. The Financial Statements are prepared under historical cost convention, on accrual basis except interest/discount on a loan which have been classified as Non Performing Assets and is accounted for on cash basis.

2.02 Use of Estimates

The preparation of Financial Statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the Financial Statement and the result of the operations during the reporting year end. Although these assumptions are made as per the Management's best knowledge of current events and actions, actual result may differ from these estimates.

2.03 Tangible Assets

All Tangible Fixed Assets have been stated at historical cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation .

Depreciation on Tangible Fixed Assets has been provided on the straight-line method over the useful lives of assets estimated by the Management, which is consistent with the useful lives prescribed under Part 'C' of Schedule II of Companies Act, 2013. Intangible assets are amortised over their estimated useful lives on a straight-line basis. The management estimates the useful lives of the Fixed assets as follows.

Classes of Assets	Useful Lives
Office Equipment	5 Years
Computer & Software	3 Years
Furniture and Fixtures	10 Years

2.04 Intangible Assets acquired separately are measured on initial recognition at cost. Following recognition, intangible assets are carried at cost less accumulated amortisation.

2.05 Borrowing Cost

Interest on borrowing is recognised on time proportion basis taking into account the amount outstanding and the rate applicable on the borrowing.

2.06 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- (i) Interest income on loans is recognised on accrual basis. Interest on Non-Performing Assets (NPA) is recognised only when realized.
- (ii) All other income is recognised on accrual basis.



Handwritten signature and a circular stamp of JANAKALYAN CONSULTANCY & SERVICES PRIVATE LIMITED, KOLKATA, with a star at the bottom.

2.07 Retirement and other Employee Benefits

(i) The company has not estimated its liability towards Employees Gratuity based on an actuarial valuation in the current Financial Year.

2.08 Credit Rating

The credit policy of the company requires all credit exposures to be measured, monitored and managed proactively. Exposure to credit risk is monitored on yearly basis by a leading external credit rating agency.

2.09 Taxation

(i) Tax Expenses comprise of Current and Deferred Tax. Current Income Tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax Act, 1961. Deferred Income Tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

(ii) Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet Date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

(iii) The carrying amount of the Deferred Tax Assets is reviewed at each Balance Sheet Date. The company writes down the carrying amount of the deferred tax assets to the extent that it is no longer reasonably certain or virtually certain as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such written-down amount is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

2.10 Classification of Portfolio Loans

Loans are classified as follows

Asset Classification	Period
Standard Assets	Current Loan and arrears upto 90 days
Sub Standard Assets	Arrears from 91 days upto 179 days
Doubtful Assets	Arrears from 180 days and more

2.11 Provision for loan losses

(i) At the end of each financial year, the Management reviews all the Micro Credit on overdue basis and written-down amounts are being made as per past experience and present condition of the borrowers.

(ii) The Provisioning Norms followed by the company are as follows:

Asset Classification	Arrear Period	As Per Reserve Bank of India Guidelines	Estimated Provision adopted by the Company for the Year 2017-18	Estimated Provision adopted by the Company for the Year 2016-17
Current Assets	-	0.40%	0.40%	0.35%
Standard Assets	Upto 90 days	0.40%	0.40% to 1%	0.35%
Sub Standard Assets	From 91 to 179 days	50%	50%	50%
Doubtful Assets	More than 180 days	100%	100%	100%

According to RBI Notification no. DNBR(PD).CC.047/03.10.119/2016-17 dated July 01, 2015, aggregate loan provision to be maintained by the NBFC-MFIs at any point of time shall not be less than the higher of a) 1% of the outstanding loan portfolio or b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.



[Handwritten signatures]

2.12 Loan write-off policy

The Company as a policy matter has decided to write-off loans which are overdue and not recoverable for more than two years. Moreover, the management can take a decision of writing off loans as per the quality and expectation of realization of loans from borrowers. Further all loss assets identified as per the extant RBI guidelines are provided.

2.13 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends related to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of or dilutive potential equity shares.

2.14 Provisions and Write-offs

A provision is recognized when an enterprise has a present obligation as a result of past event, its outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.15 Cash and Cash Equivalents

Cash and Cash equivalents comprise of cash in hand and unrestricted Cash at Bank .

2.16 Contingent Liability and Contingent Asset

Contingent liability is disclosed for (i) possible obligations which will be confirmed only by future not wholly within the control of the company or (ii) 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 asset is not recognized in the financial statements since this may result in the recognition of income that may never be realized.



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JANAKALYAN CONSULTANCY & SERVICES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31ST, 2018:

Note-3: SHARE CAPITAL

Particulars	₹ 31ST MARCH, 2018	₹ 31ST MARCH, 2017
AUTHORISED		
2,00,00,000 (P.Y.:1,00,00,000) Equity shares of ₹ 10/- each	200,000,000	100,000,000
	200,000,000	100,000,000
ISSUED, SUBSCRIBED AND PAID UP		
1,22,99,090 no (P.Y. 55,27,200) paid up Equity shares of ₹ 10/- each	122,990,900	55,272,000
	122,990,900	55,272,000

Terms/Rights attached to Equity Shares:

The Company has only one Class of equity Shares having at par value of Rs.10/- per Share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of the equity will be entitled to receive the remaining asset of the company after distribution of all preferential amounts.

Details of Equity Shares held by shareholders holding more than 5% of the aggregate shares of the company:

Name of the Shareholder	As on 31/03/2018		As on 31/03/2017	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Sunanda Kumar Mitra	4,491,604	36.52%	2,000,000	36.18%
Alok Biswas	1,243,286	10.11%	1,000,000	18.09%
Samiran Chanda	650,000	5.28%	500,000	9.05%
Manick Deb	750,000	6.10%	500,000	9.05%
Samir Chimanlal Sanghvi	808,600	6.57%	763,600	13.82%
Jatin Chimanlal Sanghvi	641,400	5.22%	763,600	13.82%
Loknath Agarwalla	1,000,000	8.13%	-	-
Susim Mukul Datta	1,050,000	8.54%	-	-

The reconciliation of number of Equity Shares is set out below

Particulars	31ST MARCH, 2018	31ST MARCH, 2017
Number of Shares at the beginning		
Add: Issue of Equity Shares during the Year	5,527,200	-
Number of shares at the end	6,771,890	5,527,200
	12,299,090	5,527,200

Issue of Sweat Equity Shares

Particulars	31ST MARCH, 2018	31ST MARCH, 2017
Number of Shares at the beginning of the year		
Add: Issue of Sweat Equity during the year	NIL	NIL
Number of Shares at the end of year	500,000	NIL
	500,000	NIL

During the year the Company has allotted 5,00,000 sweat equity shares at face value of Rs.10/-

Note-4 RESERVES & SURPLUS

Particulars	₹ 31ST MARCH, 2018	₹ 31ST MARCH, 2017
A. Statutory Reserve		
Opening Balance		
Add: Transfer from Surplus	474,395	-
	474,395	
According to Section 45-1C of the Reserve Bank of India Act, 1934 every NBFC shall create a reserve fund and transfer therein a sum not less than 20% of the net profit of each year as disclosed in the Profit and Loss account.		
B. Surplus in Profit and Loss Account.		
Opening Balance	(2,263,455)	-
Add/(Less): Profit/(Loss) for the Period	2,371,975	(2,263,455)
Amount available for appropriation	108,520	(2,263,455)
Appropriation :		
Transfer to Statutory Reserve	474,395	-
Surplus - Closing Balance	(365,875)	(2,263,455)
TOTAL (A+B+C)	108,520	(2,263,455)



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JANAKALYAN CONSULTANCY & SERVICES PRIVATE LIMITED
NOTES FORMING PART OF THE BALANCE SHEET

NOTE - 5 : LONG TERM BORROWINGS

Terms of Repayment of Term Loan as on 31st March 2018

Sl. No	Banks / Financial Institutions	Balance as on 01.04.2017	Received during the year	Repaid during the year	Balance as on 31.03.2018	Figures (₹) in				
						Rate of Interest (%)	Hypothecation of Book Debts	Nature of Security Fixed Deposit / Collateral	Personal Guarantee of Board Members	Terms of Repayment
SECURED LOANS										
TERM LOAN FROM BANKS/FINANCIAL INSTITUTIONS										
1	Utkarsh Small Finance Bank Ltd	-	100,000,000	25,000,000	75,000,000	15.00%	100%	10.00%	Director	Monthly
2	Mas Financial Services Limited	-	230,000,000	42,083,326	187,916,674	15.25%	100%	12.50%	Director	Monthly
3	Axis Bank Ltd	-	50,000,000	14,285,713	35,714,287	10.00%	100%	-	Director	Quarterly
4	Capital First Ltd	-	50,000,000	2,779,316	47,220,684	15.00%	110%	-	Director	Monthly
5	Sub-ordinated debt, Mas Financial Service	-	30,000,000	-	30,000,000	17.50%	-	-	-	Monthly
6	Mahindra & Mahindra Financial Services Ltd	-	50,000,000	6,164,955	43,835,045	13.25%	105%	10.00%	-	Monthly
7	Avanse Financial Services Limited	-	30,000,000	1,836,249	28,163,751	14.50%	100%	7.50%	-	Monthly
8	Visu Leasing and Finance Pvt. Ltd	-	40,000,000	2,030,529	37,969,471	15.25%	105%	0.00%	Director	Monthly
	Total		580,000,000	94,180,088	485,819,912					

Less: Current Maturities Transferred to Other Liabilities (Refer Note No-6)
Balance as on 31st March 2018

318,113,846
167,706,066

NOTE - 6 : SHORT TERM BORROWINGS

Terms of Repayment of Term Loan as on 31st March 2018

Sl. No	Banks / Financial Institutions	Balance as on 01.04.2017	Received during the year	Repaid during the year	Balance as on 31.03.2018	Figures (₹) in				
						Rate of Interest (%)	Hypothecation of Book Debts	Nature of Security Fixed Deposit / Collateral	Personal Guarantee of Board Members	Terms of Repayment
SECURED LOANS										
TERM LOAN FROM BANKS/FINANCIAL INSTITUTIONS										
1	Reliance Commercial Finance Ltd	-	114,000,000	37,716,305	76,283,695	15.00%	100.00%	10.00%	Director	Monthly
2	Arohan Financial Services Pvt Limited	100,000,000	100,000,000	165,519,821	34,480,179	15.50%	110.00%	10.00%	Director	Monthly
3	Nova Vyapar Private Limited	-	31,000,000	10,000,000	21,000,000	12.00%	111.00%	-	-	Monthly
4	Jain Sons Finance Limited	-	59,000,000	9,530,217	49,469,783	15.00%	110.00%	10.00%	Director	Monthly
5	Mas Financial Services Limited Term Loan	-	40,000,000	-	40,000,000	14.25%	-	12.50%	Director	Monthly
	Total	100,000,000	344,000,000	222,766,343	221,233,657					

Balance as on 31st March 2018

221,233,657



JANAKALYAN CONSULTANCY & SERVICES PRIVATE LIMITED

Note-7 Trade payables				
Particulars	31ST MARCH, 2018		31ST MARCH, 2017	
	₹		₹	
Liability for Expenses	551,715		448,920	
Group Insurance Premium	2,624,454		-	
Total	3,176,169		448,920	

Note-8 Other Current Liabilities				
Particulars	31STMARCH, 2018		31ST MARCH, 2017	
	₹		₹	
Current maturities of Long Term Debt	318,113,846		-	
Statutory Liabilities	821,438		286,636	
Interest Accrued but Not due	3,123,341		46,575	
Payable to Creditors (Lenders)	2,315,116		-	
Total	324,373,741		333,211	

Note-9 Provisions				
Particulars	Long Term		Short Term	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Provision for Portfolio Loan Assets:				
Contingent Provision against current and Standard Assets	-	-	7,056,528	45,050
Non Performing Loans	-	-	-	-
Total	-	-	7,056,528	45,050
Others				
Provision for Grauity	-	-	-	-
Provision for Taxation	-	-	608,494	-
Total	-	-	7,665,022	45,050

Note-10 FIXED ASSETS:				
Tangible:				
Cost or Valuation	Figures in ₹			
	Office Equipments	Computer & Software	Furniture & Fixtures and Equipments	Total
As at 1st April 2017	423,424	321,740	1,321,263	2,066,427
Additions during the period	158,499	961,102	373,654	1,493,255
Disposals	-	-	-	-
As at 31st March 2018	581,923	1,282,842	1,694,917	3,559,682
Depreciation				
As at 31st March 2017	42,311	55,041	67,480	164,832
Charge For the Period	103,732	306,218	153,824	563,774
Disposals	-	-	-	-
As at 31st MARCH 2018	146,043	361,259	221,304	728,606
Net Block as on 31st March 2018	435,880	921,583	1,473,613	2,831,076
Net Block as on 31st March 2017	381,113	266,699	1,253,783	1,901,595

Intangible:		
Cost or Valuation	Figures in ₹	
	Software	Total
As at 1st April 2017	35,940	35,940
Additions during the period	350,179	350,179
Disposals	59,326	59,326
Net Block as on 31st March 2018	326,793	326,793

Note-11 Long Term Loans and Advances:				
Particulars	31ST MARCH, 2018		31ST MARCH, 2017	
	₹		₹	
Advance against fixed Assets	1,107,500		322,690	
Total	1,107,500		322,690	

Note-12 Cash and cash equivalents.				
Particulars	31ST MARCH, 2018		31ST MARCH, 2017	
	₹		₹	
(a) Balances with banks	33,927,409		113,327,735	
(b) Cash on hand	47,908		57,268	
(c) Fixed Deposit with Banks	79,147,500		31,000,000	
Total	113,122,817		144,385,003	



JANAKALYAN CONSULTANCY & SERVICES PRIVATE LIMITED

Note-13 Short Term Loans and Advances:

Particulars	31ST MARCH, 2018	31ST MARCH, 2017
	₹	₹
Micro Finance Loans		
Opening Balance	4,505,000	-
Add: Loan Disbursed	1,394,076,600	4,505,000
Sub-Total	1,398,581,600	4,505,000
Less: Realised	488,531,367	-
Less: Assigned Loan portfolios (Refer note no-22)	137,123,240	-
Less: BC Loan Outstanding	67,274,144	-
	705,652,849	4,505,000
(i) Microfinance Loan (Unsecured and considered good)	705,652,849	4,505,000
(ii) Advance Income Tax	266,431	110,710
Total	705,919,280	4,615,710

Apart from the above Loan Portfolio the Company is managing Loan Portfolio of an NBFC for an amount of Rs.6.73 Crore as a business correspondent and Rs1.79 crore as assigned Portfolio during the above period. (Please read Note No-22 & 23)

Note-14 Other current assets

Particulars	31ST MARCH, 2018	31ST MARCH, 2017
	₹	₹
Preliminary Expenses not Written off	1,484,451	703,200
Security Deposit against Rent	216,050	80,000
Interest accrued on Fixed Deposit	2,105,132	703,811
Interest accrued on Portfolio Loan	7,898,407	1,777
Prepaid Expenses	7,895,960	1,150,000
Trade Receivables	1,729,483	-
MRR Receivable from Assignor	1,857,335	-
TDS Receivable	669,006	-
Advance to staffs	220,785	4,000
Total	24,076,609	2,642,788

Note-15 Revenue from operations

Particulars	31ST MARCH, 2018	31ST MARCH, 2017
	₹	₹
Interest on Loan. (Refer Note (i) below)	93,263,434	1,777
Other Financial Charges	13,614,301	45,650
Profit on sale of Loan Portfolios (Refer note no-22)	5,290,869	-
Total	112,168,604	47,427

Particulars	31ST MARCH, 2018	31ST MARCH, 2017
	₹	₹
i) Interest on Loan comprises:		
a) Interest on Micro Finance Loan	93,263,434	1,777
Total	93,263,434	1,777

The company offers small loan products to its borrowers for income generation, which are repayable in equal weekly/fortnightly/Monthly instalments.

Note-16 Other Income

Particulars	31ST MARCH, 2018	31ST MARCH, 2017
	₹	₹
Interest on Fixed Deposit	2,572,270	1,107,093
Dividend	1,133,877	-
Commission from sale D. Light	180,644	-
Commission on Business Correspondent Model	623,563	-
Total	4,510,354	1,107,093

Note-17 Employee benefit expenses

Particulars	31ST MARCH, 2018	31ST MARCH, 2017
	₹	₹
Salaries, Wages & Bonus etc.	29,686,930	1,358,751
Provident Fund and ESI	2,963,559	-
Employee Health and Insurance Premium	173,333	-
Total	32,823,822	1,358,751

Salaries and wages include: Salaries, wages, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service / employment.

The company has not estimated its liability towards Employees Gratuity based on an actuarial valuation as the company has started its business in March 2017 i.e one year old. After completion of 5 years or more of service every employee will be eligible for gratuity. The liability towards gratuity will be recognised as and when due.

Note-18 Finance Cost

Particulars	31ST MARCH, 2018	31ST MARCH, 2017
	₹	₹
Interest on Borrowings	59,929,138	46,575
Loan Processing Fees	2,186,840	-
Total	62,115,978	46,575



JANAKALYAN CONSULTANCY & SERVICES PRIVATE LIMITED

Note-19 Other expenses				
Particulars	31ST MARCH, 2018		31ST MARCH, 2017	
	₹		₹	
Audit fee	37,583		34,500	
Telephone & Internet	246,545		14,741	
Bank Charges	139,695		8,953	
Electricity Expenses	199,677		7,711	
Filling Fees	47,857		6,032	
Professional Fees	1,623,957		983,575	
Office Rent	1,831,738		348,500	
Printing & Stationery expenses	999,599		10,793	
Travelling & Conveyance	1,446,822		21,707	
Office Expenses	695,411		115,475	
Training Expenses	258,930		175,800	
Rates and Taxes	13,968		6,980	
Staff Welfare	1,183,096		-	
Directors Sitting Fees	145,000		-	
Insurance	139,079		-	
Stamp Charges	9,509		-	
Repair & Maintenance	31,612		-	
Input GST	608,303		-	
IT related Charges	263,380		-	
Membership Fees	170,350		-	
Consultancy Charges	970,000		-	
Total	11,062,111		1,734,767	

Note-20 Provisions for Loan Loss				
Particulars	As at 1st April, 2017	Additions	Utilisation	As at 31ST MARCH, 2018
	₹			₹
Provision for Loan Loss on Standard Asset	45,050	6,943,398	-	6,988,448
Provision for Loan Loss on Doubtful and Loss Assets	-	68,081	-	68,081
Total	45,050	7,011,478	-	7,056,528

Note-21 Classification of Portfolio Loan on age basis					
Particulars	Estimated Provisions	As at 31ST MARCH, 2018		As at 31 March, 2017	
		Principal	Provision Amount (₹)	Principal	Provision Amount (₹)
Current	0.40% to 1%	705,652,849	6,988,447	4,505,000	45,050
91 to 179 days	50%	136,161	68,081	-	-
180 days or more	100%	-	-	-	-
Total		705,652,849	7,056,528	4,505,000	45,050
*Subject to 1% Whichever is Higher		705,652,849	7,056,528	4,505,000	45,050

According to RBI Notification no. DNBR.(PD)CC.047/03.10.119/2015-16 dated July 01,2015, aggregate loan provision to be maintained by the NBFC-MFIs at any point of time shall not be less than the higher of a) 1% of the outstanding loan portfolio or b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

Note-22 Assigned Loan Portfolio:				
During the Period, the Company has managed loan portfolio of Arohan Financial Services Pvt Ltd. Details are as given below.				
Particulars	31ST MARCH, 2018		31ST MARCH, 2017	
	₹		₹	
Opening Balance	-		-	
Portfolio assigned	137,123,240		-	
Total	137,123,240		-	
Amount collected from Clients	119,132,495		-	
Outstanding Portfolio	17,990,745		-	

Note-23 Loan Portfolio managed as a Business Correspondent.				
During the Period, the Company has disbursed Rs.7.68 Crore of Micro finance loan to borrowers as a business correspondent of MAS Financial Services Ltd. Details are as given below.				
Particulars	31ST MARCH, 2018		31ST MARCH, 2017	
	₹		₹	
Opening Balance	-		-	
Amount disbursed for MAS Financial Services Ltd	76,780,000		-	
Total	76,780,000		-	
Amount collected from Clients	9,505,856		-	
Outstanding Portfolio	67,274,144		-	

Note-24: Income as Business Correspondent				
Particulars	31ST MARCH, 2018		31ST MARCH, 2017	
	₹		₹	
Amount Received from MAS Financial Services Ltd	623,563		-	
	623,563		-	



Note-25 Profit on Sale of Loan Portfolio

Particulars	31ST MARCH, 2018	31ST MARCH, 2017
	₹	₹
Sale Consideration Received		
Book Value of loan portfolio Sold	142,414,109	-
Profit on above	137,123,240	-
	5,290,869	-

Note-26 Related Party Transactions

As per Accounting Standard 18 (AS-18) on related party disclosure Issued by the Institute of Chartered Accountants of India related parties of the company are as follows.

Names of Related Parties and Nature of Relationship.

a) Key Management Personnel

Alok Biswas	Managing Director
Sunanda kumar Mitra	Whole Time Director
Biswamohan Mahapatra	Independent Director
Bani Saraswati	Independent Director

b) Nature of Transactions

Particulars	31.03.2018	31.03.2017
	Transaction Value	Outstanding
i) Alok Biswas Remuneration		
ii) Sunanda Kr. Mitra Remuneration	2,700,000	9,00,000
	2,700,000	-

Note-27 Segment Reporting

The company operates in a single reportable segment i.e. lending in Microfinance Sector, which have similar risk and returns for the purpose of AS-17 on 'Segment Reporting' issued by ICAI. The company does not have any reportable Geographical Segment.

Note-28 Disclosure of micro and small enterprises.

The Company has initiated the process of identification of suppliers registered under Micro, Small and Medium Enterprises Act 2006 (The MSME) by obtaining confirmation from all the suppliers. Based on the information available with the company no amount is payable to micro, small and medium enterprises.

Note 29 Earning Per Share

Particulars	31ST MARCH, 2018	31ST MARCH, 2017
	₹	₹
Net Profit After Tax		
Weighted Average Number of Shares	2,371,975	(2,263,455)
Earning per share (Basic/Diluted)	8,564,042	2,335,041
Nominal Value per Share	0.28	-0.97
	Rs.10/-	Rs.10/-

Note 30 Additional Disclosure pursuant to Reserve Bank of India Direction vide Circular No- DNBS (PD).CC No.047/03.10.119/2015-16 dated July 1, 2015

Capital to Risk Weighted Assets Ratio (CRAR)		
	31ST MARCH, 2018	31ST MARCH, 2017
CRAR		
CRAR- Tier I Capital	19.99%	537.59%
CRAR-Tier II Capital	15.70%	537.42%
	4.29%	0.17%

Note 31 Average rate of Interest, cost of borrowing and Margin

Particulars	31ST MARCH, 2018	31ST MARCH, 2017
	Average Interest(a)	
Average cost of borrowing(b)	24.63%	25.00%
Margin(a-b)	13.83%	17.00%
	10.80%	8.00%

Note 32 Disclosure details as required in terms of Paragraph 13 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank of India) Directions.

LIABILITIES SIDE

	Amount Outstanding	Amount Overdue
1 Loans and advances availed by the NBFCs inclusive of		
a. Debentures:		
Secured	Nil	Nil
Unsecured	Nil	Nil
(other than falling within the meaning of public deposits)		
b. Deferred Credits	Nil	Nil
c. Term Loans	Nil	Nil
d. Inter-corporate loans and borrowing	707,053,569	Nil
e. Commercial paper	Nil	Nil
f. Public Deposits	Nil	Nil
g. Other Loans (Cash Credit facility)	Nil	Nil
Total	Nil	Nil
2 Break-up of (1)(f) above (Outstanding public deposits Inclusive of interest accrued thereon but not paid) :		
	Amount Outstanding	Amount Overdue
a. In the form of unsecured debentures	Nil	Nil
b. In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
c. Other public deposits	Nil	Nil
Total	Nil	Nil



3 ASSETS SIDE		
Break-up of Loans and advances including bills receivables (other than those included in (4) below) :		
		Amount Outstanding (in Rs.)
a. Secured		
b. Unsecured (see schedule)		
4 Break-up of Leased Assets and stock on hire and hypothecation Loans counting towards EL/HP activities :	705,652,849	705,652,849
I Lease assets including lease rentals under Sundry Debtors		
a. Financial lease	NII	NII
b. Operating lease	NII	NII
II Stock on hire including hire charges under Sundry Debtors		
a. Assets on hire	NII	NII
b. Repossessed Assets	NII	NII
III Hypothecation Loans counting towards EL/HP activities		
a. Loans where assets have been repossessed	NII	NII
b. Loans other than (a) above	NII	NII
Total	NII	NII

5 Break up of Investments :		
Current Investments		
1 Quoted Shares		
I Shares : (a) Equity		
(b) Preference		
II Debentures and Bonds	NII	NII
III Units of mutual funds	NII	NII
IV Government Securities	NII	NII
V Others (Please Specify)	NII	NII
2 Un-Quoted Shares		
I Shares : (a) Equity		
(b) Preference		
II Debentures and Bonds	NII	NII
III Units of mutual funds	NII	NII
IV Government Securities	NII	NII
V Others (Please Specify)	NII	NII
Long Term Investments :		
1 Quoted Shares		
I Shares : (a) Equity		
(b) Preference		
II Debentures and Bonds	NII	NII
III Units of mutual funds	NII	NII
IV Government Securities	NII	NII
V Others (Please Specify)	NII	NII
2 Un-Quoted Shares		
I Shares : (a) Equity		
(b) Preference		
II Debentures and Bonds	NII	NII
III Units of mutual funds	NII	NII
IV Government Securities	NII	NII
V Others (Please Specify)	NII	NII

6 Borrower group-wise classification of all leased assets, stock on hire and Loans and advances :			
Category	Amount net of provisions		
	Secured	Unsecured	Total (in Rs.)
1 Related Parties **			
a. Subsidiaries	NII	NII	NII
b. Companies in the same group	NII	NII	NII
c. Other related parties	NII	NII	NII
2 Other than related parties	NII	705,652,849	705,652,849

7 Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and un quoted)		
Particulars	Market value/Break up or fair value or NAV	Book Value (Net of provisions)
Category		
1 Related Parties		
a. Subsidiaries	NII	NII
b. Companies in the same group	NII	NII
c. Other related parties	NII	NII
2 Other than related parties	NII	NII
Total	NII	NII
**As per Accounting Standard of ICAI		

8 Other Information:		
Particulars		
I. Gross Non-performing Assets		
a. Related parties		
b. Other than related parties		
II Net Non-performing Assets		
a. Related parties	NII	NII
b. Other than related parties	NII	NII
III Assets acquired in satisfaction of debt	NII	NII

Note-33 Previous Year Figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For SRB & Associates
Chartered Accountants
Firm Registration No. 310009E

[Signature]

Biswanath Paul
(Partner)
M. No.068186
Date :05.05.2018
Place:Kolkata



For and on behalf of the Board of Directors

[Signature]
Sunanda Kr. Mitra
Chairman

[Signature]
Alok Biswas
Managing Director

[Signature]
Anindita Chanda
Company Secretary



DIRECTORS REPORT TO SHAREHOLDERS

To
The Shareholders,
Janakalyan Consultancy & Services Private Ltd

Your Directors have pleasure in presenting the Second Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2018.

1. Background

As you are aware, the company is engaged in microfinancing activities with a long term vision for economic upliftment of underprivileged families through financial inclusion by providing micro credit to women in low income groups mostly in rural areas through income generating activities. The Company was incorporated on 27th July 2016 and eventually received the NBFC-MFI registration on 2nd March, 2017 from Reserve Bank of India. The particulars furnished in the financial statements pertain to the period from 01st April, 2017 to 31st March, 2018.

2. Financial Results

Particulars	(Amount / Rupees)	(Amount / Rupees)
	31 st March, 2018	31 st March, 2017
Revenue from Operation	11,21,68,604	47,427
Other Income	45,10,354	11,07,093
Total Revenue	11,66,78,958	11,54,520
Expenses		
Employee Benefits Expenses	3,28,23,822	13,58,751
Depreciation	6,23,100	1,64,832
Finance Cost	6,21,15,978	46,575
Other Expenses	1,10,62,111	17,34,767
Provisions and Write-Off	70,11,478	45,050
Total Expenses	11,36,36,489	33,49,975
Profit/Loss before Exceptional and Extraordinary Items and Tax	30,42,469	(21,95,455)
Add: Exceptional Items	-	-
Profit before Tax	30,42,469	(21,95,455)
Tax Expenses		
Current Tax	6,08,494	
Deferred Tax(Asset)/Liability	62,000	68,000
Total Tax Expenses	6,70,494	68,000
Profit for the Year	23,71,975	(22,63,455)



3. Summary of Operations and Industry Scenario

Your Company is engaged in providing loans to lower income groups of women. The company has adopted Joint Liability Group (JLG) model, primarily with women as Members / Borrowers.

During the year under review, the net revenue from operations of your Company was Rs.11,21,68,604. For FY 2017-18, your Company's Profit After Tax stood at Rs 23,71,975

35 branches have been made fully operational in West Bengal, Bihar and Odisha respectively during the year under review covering a total number of 10 Districts in these three States.

The microfinance industry as of 31 March 2018, has a total loan portfolio (i.e. loan amount outstanding) of Rs 1,36,633 Cr. This represents a growth of 27% over FY 16-17. As of 31 March 2018, Banks hold the largest share of portfolio in micro-credit with total loan outstanding of Rs 50,418 Cr. This includes both direct lending as well as indirect lending through BC partnerships. Banks thus account for almost 38% of total micro-credit universe. **NBFC-MFIs as a group remain the second largest provider of micro-credit with a loan amount outstanding of Rs 44,892 Cr (excluding BC portfolio channeled through NBFC-MFIs), accounting for 28% to total industry portfolio (i.e. loan amount outstanding).** SFBs have a total loan amount outstanding of Rs 30,019 Cr with a share of 27%. NBFCs account for another 6% and Non-profit MFIs account for 1% of the universe. It may be noted that huge opportunities exist in microfinance domain since all MFIs, Banks, SFBs, NBFCs together have barely been able to achieve 20% of the total market so far leaving a demand supply gap of around 80% which augurs well for the future growth of the microfinance sector.

4. Transfer to Reserves

Company has transferred Rs. 4,74,395 to the Statutory Reserve as per Section 45-IC of Reserve Bank of India Act.1934

5. Dividend

Your Directors have not declared any dividend for this year and opted for conservation of profit in order to strengthen the reserves and contribute further to the growth of the Company's topline and profitability in the future.

6. RBI's regulation for the MFI sector:

RBI carved out a separate category of NBFC-MFI exclusively for Micro Finance Institutions in 2012 and conducts periodic review of the same in respect of pricing and other issues.

The Central Bank have specified maximum limit of margins and interest rates which can be charged by microfinance institutions (MFIs). It has also put in place a fair practice code and has stipulated acceptable and reasonable methods of recovery of loans by MFIs through various Circulars from time to time.



On June 16, 2014 RBI recognized MFIN (Microfinance Institutions Network) as a Self Regulatory Organization (SRO) for NBFC-MFIs in line with similar Institutions such as IRDA, SEBI, and AMFI which can be construed as a positive and encouraging approach towards microfinance sector.

Your company is committed to a fair pricing code. Its lending rate has been linked to the estimated long-term operating cost target rather than current cost. Since inception Janakalyan charges 25.00% (IRR), inspite of the Cost of Fund being higher (as normal in the case of new Companies) , Processing fees of 1% and Insurance Premium at actuals.

As a policy, Janakalyan extends loans only to persons who are engaged in gainful economic activities thereby ensuring that the money is used for productive purpose. Most of the loan are provided for Income Generating Activities barring a few schemes for education and acquisition of solar devices which have been recently introduced, exposure to which stood at a nominal Rs 1.67 lacs as on 31/03/2018.

Janakalyan captures the Household income and expense details during group formation stage which are subjected to due verification through cross checking to ensure that no loan is permitted in cases where annual income level is over Rs.1,00,000 in rural areas and Rs. 1,60,000 in semi urban and urban areas as stipulated by the regulators.

7. Details of significant and material orders passed by the regulators or courts or tribunals impacting the current status and Company's operations in future

There have been no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the present status and the Company's future operations.

The Company has, inter alia, formed a separate Audit Committee with additional responsibility of Risk Management chaired by an Independent Director to ensure the desired level of Corporate Governance in the Company.

8. Details of Subsidiary/ Joint Ventures/ Associate Companies

Your Company does not have any subsidiary/joint venture/associate company during the period under review.

9. Deposits

The company has not received or accepted any deposit and has strictly maintained its non-acceptance of public Deposit NBFC status. The financials do not contain any figures that come under the classification of deposits as specified under Chapter V of Companies Act, 2013.



10. Our Customers:

All our customers are women belonging to the under privileged sections of mostly rural but also including a small percentage of semi urban and urban population striving to improve their standard of living and economic status.

11. Direct beneficiaries:

Your Company provides small loans to only women as direct beneficiaries who are engaged in income generating activities having necessary repayment capacity . The income generated out of the business activities directly contributes to their family income.

12. Indirect beneficiaries:

Indirect beneficiaries are entities such as the raw material suppliers, other traders, logistic suppliers and family members of the borrowers and other members of the community.

13. Our Products

Product Name	Amount (INR)	Terms of Credit
Kalyan Loan (Income generating loan)	INR 10000 – INR 30,000	The loan is repayable in 26 fortnightly/12 monthly installment depending on loan amount, carries interest rate 24.63 % (IRR) with 1% processing fees (as per RBI guidelines), Insurance Fee is actual .
Sushiksha – Education Loan	INR 10000-20000	The loan is repayable in 26 fortnightly/12 monthly installment depending on loan amount, carries interest rate 24.63 % (IRR) with 1% processing fees (as per RBI guidelines), Insurance Fee is actual .
Sushakti – Energy Loan to purchase solar products	INR 2400-5500	The loan is repayable in 9 monthly/ 18 fortnightly installment depending on loan amount, carries interest rate 24.46 % to 24.50% (IRR) with 1% processing fees (as per RBI guidelines) Insurance Fee is actual

14. RBI Guidelines

Your Company complies with all applicable regulations of the Reserve Bank of India. Consistent with NBFC-MFIs guidelines, the Directors hereby confirm that the Company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

Your company is registered as an approved NBFC-MFI with Reserve Bank of India, Kolkata effective from 2nd March,2017.

Your Company is also a member of Microfinance Institutions Network (MFIN), an approved Self- Regulatory Organisation (SRO) by the Reserve Bank of India.



15. Capital Adequacy

Your Company's capital adequacy ratio was 19.99% as on March 31, 2018. The Net Owned Funds (NOF) as on that date was Rs 11.37 crores as against the minimum capital adequacy requirement stipulated for the company by RBI of 15 % of its aggregate risk weighted assets.

16. Prospects

Today, with over 45 million end clients with a loan outstanding of over Rs 1 lakh crore across the private JLG (Joint Liability Group) and the public SHG (Self Help Group) programmes, employing over 120,000 people across 10000 branches in 28 States of India, it is a key force for financial inclusion in the country. However, this level of coverage is still lower than 25% of the demand across India and indicates the future potential for growth to nearly Rs.5 lakh Crores. However, there are challenges of infrastructural constraints to reach out to the remote untapped regions which need to be overcome in the interest of balanced geographical spread across the country and avoiding excessive concentration in easily accessible locations.

Your Company will continue to strive to reach out its operations to more and more underserved clients at remote centres and to help them access credit on reasonable terms. It also plans to expand through increased network in low income States such as Bihar, Odisha, Jharkhand, Chhattisgarh, Assam and Tripura etc in future.

17. Capital Status

Your company mobilised Rs. 122990900 of capital funds till the period ended March 31, 2018. The fund has since been capitalised by way of 100% equity infusion.

18. Corporate Governance

In order to ensure sound corporate governance, your company follows the best industry practices in all of its dealings covering employees, customers, Regulatory Authorities, Banks and Financial Institutions. Through inclusion of Director Responsibility Statement in the Directors Report, the Board reaffirms that proper systems are in place to ensure compliance of all related laws and regulations.

The company has set up various Committees of the Board for effective oversight and guidance. It is the endeavour of the company to maintain the highest standards of governance. The company has appointed reputed auditors in this sector, M/s SRB & Associates as Statutory Auditors. The company ensures due implementation of the suggestions of the auditors.

19. Directors and Key Managerial Personnel

Mr. Alok Biswas serves as Managing Director and Mr Sunanda Kumar Mitra as Whole Time Director and Chairman since 1st April,2017. Mr. Biswamohan Mahapatra and



Ms.Bani Saraswati were appointed as Independent Directors w.e.f 9th September,2017 and Ms.Anindita Chanda was appointed as Company Secretary w.e.f 9th September,2017 .

20. Meeting of Board of Directors

The Board of your Company held 16 Meetings during the year under review, details of which are given below:

Date of the meeting
April 04, 2017
April 29, 2017
May 29, 2017
June 06, 2017
July 01, 2017
July 12, 2017
August 12, 2017
September 9, 2017
October 7,2017
October 18,2017
November 17,2017
January 13,2018
February 7,2018
February 26,2018
March 27,2018
March 31,2018

21. Details of Committees of Board of Directors

The details of composition of the Committees of the Board of Directors are as under:-

a. Audit Committee

SL NO.	NAME	CHAIRMAN/MEMBERS
1	Mr Biswamohan Mahapatra	Chairman
2	Ms Bani Saraswati	Member
3	Mr Sunanda Kumar Mitra	Member

The Committee was constituted on July 01,2017 and during the year the Committee had met twice on September 09, 2017 and January 13, 2018 respectively.

b. Nomination & Remuneration Committee

SL NO.	NAME	CHAIRMAN/MEMBERS
1	Mr Sunanda Kumar Mitra	Chairman
2	Ms Bani Saraswati	Member
3	Mr Biswamohan Mahapatra	Member

The Committee was constituted on July 01,2017 and no meeting was held during the year under reporting.



c. Corporate Social Responsibility Committee

SL NO.	NAME	CHAIRMAN/MEMBERS
1	Ms Bani Saraswati	Chairperson
2	Mr Sunanda Kumar Mitra	Member
3	Mr Biswamohan Mahapatra	Member

The Committee was constituted on July 01,2017 and no meeting held during the year under reporting.

22. Particulars of loans, guarantee or investment under Section 186

Your company is classified as NBFC-MFI and the principal business of your company is to provide micro loans. Hence Section 186 is not applicable to your company.

23. Particulars of contracts or arrangements with related parties

During the year, the Company has not entered into any contracts/ arrangements with related parties referred to in section 188(1) of the Companies Act, 2013 including certain arms length transactions. Hence disclosure in Form AOC - 2, pursuant to section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

24. Statutory Auditors

M/s. SRB & Associates, Chartered Accountants have been appointed as Statutory Auditors of the Company to hold office from the conclusion of this AGM (FY 2017-18) till the conclusion of the AGM for FY 2021-22. Ratification of re-appointment of Statutory Auditors is being sought from the members of the Company at this AGM.

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

25. Information as per Section 134 (3) (m) of the Companies Act, 2013.

The company has no activity relating to consumption of energy or technology absorption. The company does not have any foreign currency earnings.

26. Human Resources

Your Company treats its "human resources" with dignity, respect and fairness and consider it as a most valuable asset and as instrumental to the company's growth. Your Company continuously invests in attracting, retaining and developing of talent on an on-going basis. Your Company pursues promotion of talent internally through job rotation and job enlargement, training and mentoring. The company has a very comprehensive HR Policy which ensures transparency and fairness at all levels.



27. Information Technology

Your Company extensively uses Information Technology in its operations to monitor and control different activities. Activities such as loan processing, Accounts, HR and MIS etc are technologically driven and obtained from third party providers, M/s Force Ten Technologies Private Limited, Kolkata.

28. Details of establishment of vigil mechanism for Directors and Employees

The Company has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

29. Declaration by Independent Director(s) and appointment, if any

A declaration from our Independent Director(s) Mr. Biswamohan Mahapatra and Ms. Bani Saraswati to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 has been obtained and placed before the Board.

Mr. Biswamohan Mahapatra and Ms. Bani Saraswati were appointed in the previous Annual General Meeting as Independent Directors for a term of 3 years.

30. Corporate Social Responsibility

Your Company does not fall within the ambit of Section 135(1) of the Companies Act, 2013 related to Corporate Social Responsibility during the Financial Year 2017-18 and hence has not incurred any expenditure under this head.

31. Material changes & commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year to which the financial statements relates and the date of this report

There are no such material changes subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of this report like settlement of tax liabilities, major loan pre-closure, change in market or regulatory conditions, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets, change in the business, assets, condition (financial or otherwise) or results of operations of the Company taken as a whole which is likely to have an impact on the business of the Company.

32. Prevention of Sexual Harassment at Workplace

The Company is committed to provide a safe and conducive work environment to its employees as well as its member borrowers.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



33. Details of Significant and Material Orders Passed by the Regulators, Courts and Tribunal

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

34. Issue and Allotment of Sweat Equity to Mr. Sunanda Kumar Mitra, Chairman- Whole Time Director of the Company

5,00,000 Equity Shares which rank paripassu with the existing equity shares of the Company of Rs.10/- each for cash consideration at face value were issued and allotted to Mr Sunanda Kumar Mitra, Whole Time Director pursuant to the provision of Section 54 of Companies Act, 2013, Rule 8 of Companies (Share Capital & Debentures) Rules, 2014.

Total consideration received by the Company for the above was is Rs.50,00,000

The percentage of the sweat equity shares of the total post issued and paid up share capital was 4.07% and diluted EPS was 0.28

35. Directors' Responsibility Statement

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- a) in the preparation of the annual accounts for the year ended on March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2018 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a 'going concern' basis;
- e) the Directors have laid down necessary internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper mechanism to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



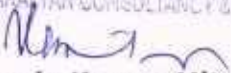
Acknowledgement:

Your Directors wish to thank the customers, bankers, shareholders and other service agencies for their continuous support. The Directors also profusely thank the employees for their valuable contributions to the Company's operations and growth during the period under reporting.

The Report of the Board of Directors is in accordance with the compliances with the applicable Secretarial Standards considering that the Company is a Private Limited Company and there are many non-mandatory requirements.

For and on behalf of the Board of Directors

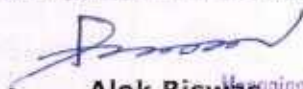
JANAKALYAN CONSULTANCY & SERVICES PVT. LTD.


Sunanda Kumar Mitra
(Wholetime Director)

DIRECTOR

DIN-03521074

For Janakalyan Consultancy & Services Pvt. Ltd.


Alok Biswas Managing Director
(Managing Director)

DIN-03141650

Place : Kolkata,

Date : 25.08.2018