

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED, (Formerly Known as JANAKALYAN CONSULTANCY & SERVICES PVT LTD)

Report on the Audit of the Financial Statements.

Opinion:

We have audited the accompanying financial statements of **Janakalyan Financial Services Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and its cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



SI No.	Key Audit Matter	Auditor's Response
1.	<p>Accuracy of recognition, measurement, presentation, Loan loss Provisions and disclosures of Micro Finance Loan Portfolio.</p> <p>Please refer Note-21 of the Financial statements.</p>	<p>Principal Audit Procedures</p> <p>a. We assessed the company's procedure to identify the portfolio loan quality.</p> <p>b. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing of the follows.</p> <p>i. Evaluated the design of internal controls relating to early assessment of Loan default cases.</p> <p>ii. Selected a sample of Loan Portfolio and tested the effectiveness of the internal control.</p>

Information Other than the Financial Statements and Auditor's Report Thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the AS 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 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.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements:

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal financial controls 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work



and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Flows 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, 2019, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019, 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 2019.



- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses.
- 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.

Date: 27.04.2019
Place: Kolkata



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


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

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 FINANCIAL 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, 2019, 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



A handwritten signature in black ink, appearing to read "Biswanath Paul".

Biswanath Paul
(Partner)
M. No. 068186

Place: Kolkata
Date: 27.04.2019

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 FINANCIAL SERVICES PVT LTD".

We have audited the internal financial controls over financial reporting of "**JANAKALYAN FINANCIAL SERVICES PVT LTD**". as of March 31,2019 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 31,2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



A handwritten signature in black ink, appearing to read 'Biswanath Paul'.

Biswanath Paul
(Partner)
M. No. 068186

Place: Kolkata
Date: 27.04.2019

JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED
(Formerly Janakalyan Consultancy & Services Pvt. Ltd)


BALANCE SHEET AS AT		₹	₹
		31ST MARCH, 2019	31ST MARCH, 2018
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	20,23,15,650	12,29,90,900
Reserves & Surplus	4	4,50,59,713	1,08,519
		24,73,75,363	12,30,99,419
NON-CURRENT LIABILITIES			
Long Term Borrowings	5	51,17,58,809	16,77,06,066
Deferred Tax Liability (Net)		1,78,000	1,30,000
Long term provisions		7,77,314	-
		51,27,14,123	16,78,36,066
CURRENT LIABILITIES			
Short Term Borrowings	6	5,34,42,308	22,12,33,657
Trade Payables	7	61,26,810	31,76,172
Other Current Liabilities	8	57,41,64,427	32,43,73,741
Short term provisions	9	1,34,68,067	76,65,020
		64,72,01,612	55,64,48,590
TOTAL		1,40,72,91,098	84,73,84,075
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	10		
-Tangible Assets		63,99,277	28,31,076
-Intangible Assets		14,65,037	3,26,793
Long term loans and advances	11	21,27,25,009	11,07,500
		22,05,89,323	42,65,369
CURRENT ASSETS			
Cash and Cash Equivalents	12	32,80,83,979	11,31,22,817
Short term loans and advances	13	82,05,53,454	70,68,09,071
Other current assets	14	3,80,64,342	2,31,86,818
		1,18,67,01,775	84,31,18,706
TOTAL		1,40,72,91,098	84,73,84,075

Significant Accounting Policies and Notes 1 & 2

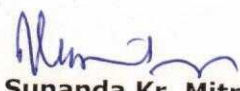
The accompanying notes are forming an integral part of these Financial Statements


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

For and on behalf of the Board of Directors


Biswanath Paul
(Partner)
M. No.068186




Sunanda Kr. Mitra
Chairman


Alok Biswas
Managing Director


Anindita Chanda
Company Secretary

Date :27/04/2019
Place:Kolkata

JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED
(Formerly Janakalyan Consultancy & Services Pvt. Ltd)

		₹	₹
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED		31ST MARCH , 2019	31ST MARCH, 2018
	Note		
Revenue from Operations	15	19,32,29,610	11,21,68,604
Other Income	16	3,94,78,954	45,10,354
Total Revenue		23,27,08,564	11,66,78,958
EXPENSES			
Employee Benefits Expenses	17	6,30,89,010	3,28,23,822
Depreciation		14,88,792	6,23,100
Finance Cost	18	12,89,43,081	6,21,15,978
Other Expenses	19	2,35,57,175	1,10,62,111
Provisions and Write-offs	20	18,38,531	70,11,479
Total Expenses		21,89,16,589	11,36,36,490
Profit before Tax		1,37,91,975	30,42,468
Tax Expenses:			
(1) Current Tax		32,00,000	6,08,494
(2) Deferred Tax (Assets)/Liabilities		48,000	62,000
(3) Tax of Earlier Years		15,41,831	-
Total Tax Expenses		47,89,831	6,70,494
Profit for the Year		90,02,144	23,71,974
Earning Per Equity Share			
(1) Basic		0.58	0.28
(2) Diluted		0.58	0.28

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



Biswanath Paul

(Partner)

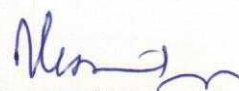
M. No.068186



Date : 27/04/2019

Place:Kolkata

For and on behalf of the Board of Directors



Sunanda Kr. Mitra
Chairman



Alok Biswas
Managing Director



Anindita Chanda
Company Secretary


JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED
(Formerly Janakalyan Consultancy & Services Pvt. Ltd)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Particulars	2018-19	2017-18
	RUPEES (₹)	RUPEES (₹)
Cash Flow From Operating Activities :		
Profit Before Tax and extraordinary items	1,37,91,975	30,42,462
Adjustments for :		
Loan Loss Provisions	18,38,531	70,11,478
Depreciation	14,88,792	1,40,857
Operating Profit Before Working Capital Changes	1,71,19,298	1,01,94,797
(Increase)/Decrease in Micro Finance Loans	(18,38,53,059)	(70,11,47,849)
(Increase)/Decrease in Other Loans & advances	(76,22,744)	(7,84,810)
(Increase)/Decrease in Non Current Assets	(21,16,17,509)	-
(Increase)/Decrease in Other Current Assets	(1,48,77,524)	(2,11,07,292)
Increase/(Decrease) in Trade Paybles	29,50,638	27,27,249
Increase/(Decrease) in Current Liabilities	57,88,395	59,26,684
Net Cash Provided By/(Used In) Operating Activities (A)	(39,21,12,506)	(70,41,91,221)
Cash Flow From Investing Activities		
Purchases of Fixed Assets	61,95,237	18,43,434
Net Cash Provided By/(Used In) Investing Activities (B)	(61,95,237)	(18,43,434)
Cash Flow From Financing Activities :		
Increase in Borrowings	42,02,63,685	60,70,53,569
Proceeds From Issuance of Share Capital	11,52,73,800	6,77,18,900
Net Cash Provided By/(Used In) Financing Activities (C)	53,55,37,485	67,47,72,469
Net Increase In Cash And Cash Equivalents (A+B+C)	13,72,29,743	(3,12,62,186)
Cash And Cash Equivalents At The Begining of The Year	11,31,22,817	14,43,85,003
Cash And Cash Equivalents At The End of The Year	25,03,52,560	11,31,22,817
Cash And Cash Equivalents Comprises of :		
1. Cash In Hand	2,00,179	47,908
2. Balances With Scheduled Banks	32,78,83,800	11,30,74,909
	32,80,83,979	11,31,22,817

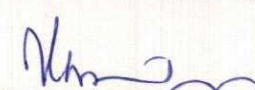
As per our report of even date annexed herewith

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

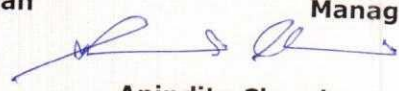

Biswanath Paul
(Partner)
M. No.068186



For and on behalf of the Board of Directors


Sunanda Kr. Mitra
Chairman


Alok Biswas
Managing Director


Anindita Chanda
Company Secretary

Place : Kolkata
Date : 27/04/2019

JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED
(Formerly Janakalyan Consultancy & Services Pvt. Ltd)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

Note-1 NATURE OF OPERATION:

JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED" (here in after refers as the Company or JFSPL) is engaged in Micro Finance lending activities for providing financial services to economically weaker section in the rural and urban areas of India. JFSPL 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.



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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.

2.07 Retirement and other Employee Benefits

(i) The monthly contribution towards Provident Fund is charged to Profit and Loss Account for the year when the contribution to the respective fund is due. There are no other obligations other than the contribution payable to the respective funds.

(ii) The company estimates its liability towards Employees Gratuity based on an actuarial valuation done by LIC of India using the Projected Unit Credit Method done at the end of each accounting period.

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	Provision adopted by the Company for the Year 2018-19	Provision adopted by the Company for the Year 2017-18
Current Assets	-	0.40%	0.40%	0.40%
Standard Assets	Upto 90 days	0.40%	0.40% to 1%	0.40% to 1%
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.



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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 extent 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 in the Cash Flow Statement comprise cash on hand and unrestricted amount of cash at bank and unrestricted short-term investments with an original maturity of three months or less.

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 FINANCIAL SERVICES PRIVATE LIMITED
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Note-3: SHARE CAPITAL

Particulars	₹	
	31ST MARCH, 2019	31ST MARCH, 2018
AUTHORISED 3,00,00,000 (P.Y.:2,00,00,000) Equity shares of Rs. 10/- each	30,00,00,000	20,00,00,000
ISSUED, SUBSCRIBED AND PAID UP 2,02,31,565 no (P.Y.1,22,99,090) paid up Equity shares of ₹10/- each	20,23,15,650	12,29,90,900
	20,23,15,650	12,29,90,900

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 31/03/2019		As on 31/03/2018	
	No. of shares	% of Holding	No. of shares	% of Holding
Sunanda Kumar Mitra	52,27,348	25.84%	44,91,604	36.52%
Alok Biswas	22,80,898	11.27%	12,43,286	10.11%
Samir Chimanlal Sanghvi	8,08,600	4.00%	8,08,600	6.57%
Jatin Chimanlal Sanghvi	6,41,400	3.17%	6,41,400	5.22%
Loknath Agarwalla	13,59,519	6.72%	10,00,000	8.13%
Susim Mukul Datta	12,30,061	6.08%	10,50,000	8.54%
Samiran Chanda	6,50,000	3.21%	6,50,000	5.28%
Manick Deb	7,75,000	3.83%	7,50,000	6.10%
SIDBI Trustee Company Ltd -A/c Samridhi Fund	46,75,471	23.11%	-	-

The reconciliation of number of Equity Shares is set out below

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
Number of Shares at the beginning		55,27,200
Add: Issue of Equity Shares during the Year	1,22,99,090	
Number of shares at the end	79,32,475	67,71,890
	2,02,31,565	1,22,99,090

Issue of Sweat Equity Shares

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
Number of Shares at the beginning of the year		-
Add: Issue of Sweat Equity during the year	5,00,000	
Number of Shares at the end of year	15,00,000	5,00,000
	20,00,000	5,00,000

During the year the Company has allotted 15,00,000 sweat equity shares at face value of Rs.10/-

Note-4

RESERVES & SURPLUS

Particulars	₹	
	31ST MARCH, 2019	31ST MARCH, 2018
A. Statutory Reserve		
Opening Balance		-
Add: Transfer from Surplus	4,74,394	
	18,00,429	4,74,394
	22,74,823	4,74,394
B. Share Premium		
Opening Balance		-
Add: Premium received		-
	3,59,49,050	-
C. Surplus in Profit and Loss Account.		
Opening Balance		
Add: Profit for the Period	(3,65,875)	(22,63,455)
	90,02,144	23,71,975
Amount available for appropriation		
Appropriation :		
Transfer to Statutory Reserve	86,36,269	1,08,520
	18,00,429	4,74,395
	68,35,840	(3,65,875)
TOTAL (A+B+C)	4,50,59,713	1,08,519

According to Section 45-IC 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. Share Premium

Opening Balance
Add: Premium received

C. Surplus in Profit and Loss Account.

Opening Balance
Add: Profit for the Period

Amount available for appropriation

Appropriation :

Transfer to Statutory Reserve



JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED
NOTES FORMING PART OF THE BALANCE SHEET
NOTE - 5 : LONG TERM BORROWINGS

(Formerly Janakalyan Consultancy & Services Pvt. Ltd)

Terms of Repayment of Term Loan as on 31st March 2019

Sl. No.	Banks / Financial Institutions	Balance as on 01.04.2018	Received during the year	Repaid during the year	Balance as on 31.03.2019	Nature of Security			Terms of Repayment
						Hypothecation of Book Debts	Fixed Deposit/ Collateral	Personal Guarantee of Board Members	
SECURED LOANS/UNSECURED LOANS									
TERM LOAN FROM BANKS/FINANCIAL INSTITUTIONS									
1	Utkarsh Small Finance bank Ltd	7,50,00,000	-	7,50,00,000	-	Yes	10.00%	Director	Monthly
2	Mas Financial Services Limited	18,79,16,674	9,75,00,000	11,90,62,497	16,63,54,177	Yes	12.50%	Director	Monthly
3	Axis Bank Ltd	3,57,14,287	5,36,00,000	3,97,99,999	4,95,14,288	Yes	-	Director	Monthly
4	Capital First Ltd	4,72,20,684	10,00,00,000	1,50,30,084	13,21,90,600	Yes	-	Director	Quarterly
5	Sub-ordinated debt, Mas Financial Services Ltd	3,00,00,000	-	-	3,00,00,000	Yes	-	Director	Monthly
6	Mahindra & Mahindra Financial Services Ltd	4,38,35,045	-	3,30,90,267	1,07,44,778	Yes	10.00%	-	Monthly
7	Avanse Financial Services Limited	2,81,63,751	-	2,38,44,700	43,19,051	Yes	7.50%	-	Monthly
8	Visu Leasing and Finance Pvt. Ltd	3,79,69,471	-	2,59,40,777	1,20,28,694	Yes	0.00%	Director	Monthly
9	Arohan Financial Services Ltd	-	20,00,00,000	2,08,02,322	17,91,97,678	Yes	0.00%	Director	Monthly
10	Ananya Finance for Inclusive Growth Pvt. Ltd	-	6,00,00,000	-	6,00,00,000	Yes	10.00%	Director	Monthly
11	Muthoot Capital Services Ltd	-	4,00,00,000	-	4,00,00,000	Yes	0.00%	Director	Monthly
12	SIDBI	-	15,00,00,000	-	15,00,00,000	Yes	10.00%	Director	Monthly
13	AU Small Finance Bank	-	5,00,00,000	-	5,00,00,000	Yes	0.00%	Director	Monthly
14	State Bank of India	-	6,00,00,000	23,755	5,99,76,245	Yes	20.00%	Director	Monthly
15	Bandhan Bank Ltd	-	10,00,00,000	2,00,00,000	8,00,00,000	Yes	0.00%	Director	Monthly
16	UC Inclusive Credit Pvt Ltd	-	3,10,00,000	27,66,177	2,82,33,823	Yes	0.00%	Director	Monthly
17	Jainsons Finlease Ltd	-	3,00,00,000	31,28,832	2,68,71,168	Yes	0.00%	Director	Monthly
	Total	48,58,19,912	97,21,00,000	38,40,44,966	1,07,38,74,946				
	Less: Current Maturities Transferred to Other Liabilities (Refer Note No-8)	48,58,19,912			56,21,16,137				
	Balance as on 31st March 2019				51,17,58,809				

NOTE - 6 : SHORT TERM BORROWINGS

Terms of Repayment of Term Loan as on 31st March 2019

Sl. No.	Banks / Financial Institutions	Balance as on 01.04.2018	Received during the year	Repaid during the year	Balance as on 31.03.2019	Nature of Security			Terms of Repayment
						Hypothecation of Book Debts	Fixed Deposit/ Collateral	Personal Guarantee of Board Members	
SECURED LOANS									
TERM LOAN FROM BANKS/FINANCIAL INSTITUTIONS									
1	Profectus Capital Services Ltd	-	1,50,00,000	97,44,848	52,55,152	Yes	7.50%	Director	Monthly
2	Arohan Financial Services Pvt Limited	-	7,50,00,000	6,11,97,300	1,38,02,700	Yes	0.00%	Director	Monthly
3	Nova Vyapar Private Limited	2,10,00,000	2,48,00,000	2,10,00,000	2,48,00,000	Yes	-	Director	Monthly
4	Jain Sons Finlease Limited	4,94,69,783	2,00,00,000	5,98,85,327	95,84,456	Yes	10.00%	Director	Monthly
	Total	7,04,69,783	13,48,00,000	15,18,27,475	5,34,42,308				



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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED
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Note-7

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Liability for Expenses		
Group Insurance Premium	23,19,830	5,51,718
Total	38,06,980	26,24,454
	61,26,810	31,76,172

Note-8

Particulars	31STMARCH, 2019	31ST MARCH, 2018
	₹	₹
Current maturities of Long Term Debt		
Statutory Liabilities	56,21,16,137	31,81,13,846
Interest Accrued but Not due	12,52,071	8,21,438
Payable to Creditors (Lenders)	49,49,525	31,23,341
Total	58,46,694	23,15,116
	57,41,64,427	32,43,73,741

Note-9

Provisions	₹			
	Long Term		Short Term	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Provision for Portfolio Loan Assets:				
Contingent Provision against current and Standard Assets	7,77,314	-	80,64,754	69,88,447
Non Performing Loans	-	-	52,990	68,081
Total	7,77,314	-	81,17,744	70,56,528
Others				
Provision for Grauity	-	-	-	-
Provision for Taxation	-	-	53,50,323	6,08,492
Total	7,77,314	-	1,34,68,067	76,65,020

Note-10

FIXED ASSETS:

Tangible:

Cost or Valuation	Figures in ₹			Total
	Office Equipments	Computer & Software	Furniture & Fixtures and Equipments	
As at 1st April 2018	5,81,923	12,82,842	16,94,917	35,59,682
Additions during the period	10,95,513	18,36,738	17,58,483	46,90,734
Disposals	-	-	-	-
As at 31st March 2019	16,77,436	31,19,580	34,53,400	82,50,416
Depreciation				
As at 1st April 2018	1,46,043	3,61,259	2,21,304	7,28,606
Charge For the Period	2,45,010	5,73,956	3,03,567	11,22,533
Disposals	-	-	-	-
As at 31st MARCH 2019	3,91,053	9,35,215	5,24,871	18,51,139
Net Block as on 31st March 2019	12,86,383	21,84,365	29,28,529	63,99,277
Net Block as on 31st March 2018	4,35,880	9,21,583	14,73,613	28,31,076

Intangible:

Cost or Valuation	Figures in ₹	
	Software	Total
As at 1st April 2018		
Additions during the period	3,26,793	3,26,793
Disposals	15,04,503	15,04,503
Net Block as on 31st March 2019	3,66,259	3,66,259
	14,65,037	14,65,037



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Note-11 Long Term Loans and Advances

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Micro Finance Loans		
Advance against fixed Assets	7,77,31,420	-
Term Deposit with banks (kept as lien with the lenders)	4,00,000	11,07,500
Interest Accrued on Fixed Deposits	12,83,25,223	-
	62,68,366	-
Total	21,27,25,009	11,07,500

Note-12 Cash and cash equivalents.

Particulars	31ST MARCH 2019	31ST MARCH, 2018
	₹	₹
(a) Balances with banks		
(b) Cash on hand	31,42,08,800	3,39,27,409
(c) Fixed Deposit with Banks (kept as lien with the lenders)	2,00,179	47,908
	1,36,75,000	7,91,47,500
Total	32,80,83,979	11,31,22,817

Note-13 Short Term Loans and Advances:

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Micro Finance Loans		
Opening Balance		
Add: Loan Disbursed	70,56,52,849	45,05,000
Sub-Total	2,34,41,78,200	1,39,40,76,600
Less: Realised	3,04,98,31,049	1,39,85,81,600
Less: Assigned Loan portfolios	1,52,26,95,670	48,85,31,367
Less: BC Loan Outstanding	-	13,71,23,240
	63,76,29,471	6,72,74,144
(i) Microfinance Loan (Unsecured and considered good)	88,95,05,908	70,56,52,849
Less: Transferred to Loan Term Loans and Advances	88,95,05,908	70,56,52,849
Short Term Micro Loans	7,77,31,420	-
(ii) Advance Income Tax	81,17,74,488	70,56,52,849
(ii) Advance to Staffs	86,20,283	9,35,437
Total	1,58,683	2,20,785
	82,05,53,454	70,68,09,071

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

ii. Apart from the above Loan portfolio the company also manages portfolio worth Rs.63.76 crore as a Business Correspondent on behalf of different Banks and NBFCs (i.e.Principals). Please refer note no-22 & 23.

Note-14 Other current assets

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Preliminary Expenses not Written off		
Security Deposit	14,20,351	14,84,451
Interest accrued on Fixed Deposit	1,40,76,040	2,16,050
Interest accrued on Portfolio Loan	8,72,740	21,05,132
Prepaid Expenses	66,24,366	78,98,407
Trade Receivables	14,25,000	78,95,960
MRR Receivable	69,80,030	17,29,483
Commission Receivable from Principals	-	18,57,335
Insurance Claim	36,05,713	-
MAT Credit Entitlement	22,55,486	-
	8,04,616	-
Total	3,80,64,342	2,31,86,818



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Note-15 Revenue from operations

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Interest on Loan. (Refer Note (i) below)	17,70,84,352	9,32,63,434
Loan Processing Fees	1,61,45,258	1,36,14,301
Profit on sale of Loan Portfolios (Refer note no-25)	-	52,90,869
Total	19,32,29,610	11,21,68,604

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
i) Interest on Loan comprises:		
a) Interest on Micro Finance Loan	17,70,84,352	9,32,63,434
Total	17,70,84,352	9,32,63,434

i. 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, 2019	31ST MARCH, 2018
	₹	₹
Interest on Fixed Deposit	75,13,761	25,72,270
Dividend	21,55,527	11,33,877
Commission received as Business Correspondent	2,76,43,091	6,23,563
Miscellaneous Income	12,41,959	1,80,644
Grant Received	1,20,000	-
MAT Credit Entitlement	8,04,616	-
Total	3,94,78,954	45,10,354

Note-17 Employee benefit expenses

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Salaries, Wages & Bonus etc.	5,59,08,023	2,96,86,930
Provident Fund and ESI	41,27,739	29,63,559
Bonus and Exgratia	17,30,298	-
Gratuity	11,28,144	-
Employee Health and Insurance Premium	1,94,806	1,73,333
Total	6,30,89,010	3,28,23,822

Salaries and wages includes: 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 estimated its liability towards Employees Gratuity based on an actuarial valuation. After completion of 5 years or more of service every employee will be eligible for gratuity.

Note-18 Finance Cost

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Interest on Borrowings	10,99,83,489	5,99,29,138
Loan Processing Fees	1,82,11,210	21,86,840
Stamp Charges	7,48,382	-
Total	12,89,43,081	6,21,15,978



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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED
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Note-19 Other expenses

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Audit fee	2,00,000	37,583
Telephone & Internet	7,11,797	2,46,545
Bank Charges	2,37,853	1,39,695
Electricity Expenses	5,66,509	1,99,677
Filling Fees	45,165	47,857
Professional Fees	48,95,517	16,23,957
Office Rent	34,04,071	18,31,738
Printing & Stationery expenses	9,83,111	10,09,108
Travelling & Conveyance	34,29,284	14,46,822
Office Expenses	12,82,460	6,95,411
Training Expenses	10,31,761	2,58,930
Rates and Taxes	86,169	13,968
Staff Welfare	13,11,135	11,83,096
Directors Sitting Fees	2,30,000	1,45,000
Insurance	2,23,987	1,39,079
Repair & Maintenance	25,942	31,612
Goods and Services Tax	19,67,227	6,08,303
IT related Charges	4,24,601	2,63,380
Membership Fees	3,43,914	1,70,350
Consultancy Charges	10,41,000	9,70,000
Preliminary Expenses Written off	8,14,100	-
Service Tax	3,01,572	-
Total	2,35,57,175	1,10,62,111

Note-20 Provisions for Loan Loss

Particulars	As at 1st April, 2018	Additions	Utilisation	As at 31ST MARCH, 2019
	₹	₹	₹	₹
Provision for Loan Loss on Standard Asset	70,56,528	18,38,531	-	88,95,059
Total	70,56,528	18,38,531	-	88,95,059

Note-21 Classification of Portfolio Loan on age basis

Particulars	Estimated Provisions Adopted	As at 31ST March, 2019		As at 31 March, 2018	
		Principal	Provision Amount (₹)	Principal	Provision Amount (₹)
Current	0.40% to 1%	88,88,47,562	88,36,545	70,56,52,849	69,60,227
Up to 90 days	0.40% to 1%	5,52,365	5,524	28,22,067	28,221
91 to 179 days	50%	1,05,981	52,990	1,36,161	68,081
180 days or more	100%	-	-	-	-
Total		88,95,05,908	88,95,059	70,56,52,849	70,56,528
*Subject to 1% Whichever is Higher		88,95,05,908	88,95,059	70,56,52,849	70,56,528

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 as an assignor. Details are as given below.

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Opening Balance		
Portfolio assigned	1,79,90,745	-
Total	-	13,71,23,240
Amount collected from Clients	1,79,90,745	13,71,23,240
Outstanding Portfolio	1,79,90,745	11,91,32,495
	-	1,79,90,745



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Note-23 Loan Portfolio managed as a Business Correspondent.

During the Period, the Company has engaged as a business correspondent of MAS Financial Services Ltd, Utkarsh Small Finance Bank and IDBI Bank Limited. Details are as given below.

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Opening Balance		
Amount disbursed	6,72,74,144	-
Total	84,98,80,000	7,67,80,000
Amount collected from Clients	91,71,54,144	7,67,80,000
Outstanding Portfolio	27,95,24,673	95,05,856
	63,76,29,471	6,72,74,144

Note-24: Income as Business Correspondent

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Commission Received from MAS Financial Services Ltd	1,00,10,183	6,23,563
Commission Received from Utkarsh Small Finance Bank Ltd	1,76,32,908	-
	2,76,43,091	6,23,563

Note-25 Profit on Sale of Loan Portfolio

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Sales Consideration Received		
Book Value of loan portfolio Sold	-	14,24,14,109
Profit on above	-	13,71,23,240
		52,90,869

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	Chairman and Whole Time Director
Biswamohan Mahapatra	Independent Director
Atanu Sen	Independent Director
Bani Saraswati	Independent Director

b) Nature of Transactions

Particulars	31.03.2019		31.03.2018	
	Transaction Value	Outstanding	Transaction Value	Outstanding
	₹	₹	₹	₹
i) Alok Biswas				
Remuneration	33,75,000	-	27,00,000	9,00,000
Sweat Equity Shares	1,00,00,000	-	-	-
ii) Sunanda Kumar Mitra				
Remuneration	27,00,000	-	-	-
Sweat Equity Shares	50,00,000	-	-	-
iii) Biswamohan Mohapatra				
Sitting Fees	77,500	-	55,000	-
iv) Atanu Sen				
Sitting Fees	1,02,500	-	-	-
v) Bani Saraswati				
Sitting Fees	50,000	-	90,000	-



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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED
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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 the process of identification of suppliers registered under Micro, Small and Medium Enterprises Act 2006 (The MSMED) 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, 2019	31ST MARCH, 2018
	₹	₹
Net Profit After Tax	90,02,144	23,71,975
Weighted Average Number of Shares	1,54,08,991	85,64,042
Earning per share (Basic/Diluted)	0.58	0.28
Nominal Value per Share	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, 2019	31ST MARCH, 2018
CRAR	29.59%	19.99%
CRAR- Tier I Capital	26.08%	15.70%
CRAR-Tier II Capital	3.51%	4.29%

Note 31 Additional Disclosure pursuant to Reserve Bank of India Direction vide Circular no. RBI/2014-15/299, DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10,2014.

PARTICULARS	REMARKS
1.Capital to risk (Weighted) Assets Ratio	Refer Note No. 30.
2.Investment	Nil
3.Derivatives i) Forward Rate Agreement/ Interest Rate Swap ii) Exchange Traded Interest Rate (IR) Derivatives iii) Disclouser ob Risk Exposure in Derivatives iv) Forward rate agreement / interest rate swap	The company has not entered into any derivative transactions in the current and previous years.
4. Disclosure relating to Scuritisation i) Information duly certified by the SPV'S Auditors obtained by the originating NBFC from the SPV. ii) Details of financial assets sold to scuritisation/Reconstruction company for asset reconstruction. iii) Details of Assignment transactions undertakenby NBFCs	The Company has undertaken Loan Portfolio assigned by Arohan and also managed the Loan portfolio of Utkarsh Small Finance Bank Ltd, MAS Financial Services Pvt Ltd and IDBI Bank Ltd. Please refer Note no-22 and 23.
5.Details of non performing financial assets purchased /Sold i) Details of non performing financial assets purchased : ii) Details of non performing financial assets sold:	The Company has not purchased/sold any non performing financial assets.



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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED
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6.Assets Liability Managements Maturity pattern of certain items of assets and liabilities.
Details as on 31st March 2019.

Particulars	up to 30/31 days	over one month to 2 months	over 2 months to 3 months	over 3 Months upto 6 months	over 6 Months 1 year	upto
Deposits	0.00	0.00	0.00	0.00		0.00
Advances	14.80	10.31	10.35	24.13		21.59
Investments	0.00	0.00	0.00	0.00		0.00
Borrowings	7.35	7.75	9.50	16.09		25.38

Particulars	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5years	Total
Deposits	0.00	0.00	0.00	0.00
Advances	7.77	0.00	0.00	88.95
Investments	0.00	0.00	0.00	0.00
Borrowings	31.76	14.90	0.00	112.73

Note: The Company does not have any foreign currency Assets or Liabilities.

7.Exposure

- i) Exposure to Real estate sector
- ii) Exposure to Capital Market.

The Company has no exposure to real estate and Capital Market directly or indirectly.

8. Details of Financing of parent company products:

- i) Details of single borrower limit (SGL) / Group Borrower limit(GBL) exceeded by NBFC
- ii) Unsecured Advances

Single borrower limit (SGL)/ Group Borrower Limit (GBL) has not exceeded by the Company.
Portfolio Loan of Rs.88,95,05,908/-

9.Miscellaneous

- i) Registration obtained from other financial sector regulators
- ii) Disclosure of Penalties imposed by RBI and other regulators
- iii) Related Party Transaction
- iv) Rating assigned by credit rating agencies and migration of ratings during the year
- v) Renumeration of Directors
- vi) Net profit or loss for the period, prior period items and changes in accounting policies
- vii) Revenue Recognition

Ministry of Corporate affairs
No Penalties Imposed by the RBI and other regulators during the Current year and Previous Year.
Refer Note No-26.
BB (CARE Ratings dated)
Refer Note No-26.
Nil
Refer Note No-2.06.

10. Additional Disclosures

- i) Provisions and contingencies
- ii) Draw Down from Reserves
- iii) Concentration of Deposits,Advances,Exposures and NPAs
 - a) Concentration of deposit (for Deposit taking NBFCs)
 - b) Concentration of Advances
 - c) Concentration of Exposure
 - d) Concentration of NPAs
- iv) Overseas Assets (for those Joint Ventures and Subsidiaries as per accounting norms)

Refer Note No-31A
Nil
Not applicable as the Company is NBFC-ND-NSI.
Refer Note No-31B.
Refer Note No-31C
Refer Note No-31D
The NBFC has not any overseas Assets .
Not applicable as the Company has not any SPVs.

11. Disclosure of Complaints

The company has not received any complaint during the Year.



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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED
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Note. 31A

Breakup of Provisions and contingencies shown under the head Expenditure in Profit and Loss Statement.

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Provision for Income Tax		
Provision for Gratuity	32,00,000	6,08,494
Provision towards NPA	11,28,144	-
Provision for Standard Assets	52,990	68,081
	88,42,069	69,88,448

Note. 31B

Concentration of Advances

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Total Advances to twenty Largest borrowers	8,00,000	6,00,000
Percentage of total Advances to twenty Largest borrowers to total advance of the NBFC	0.09%	0.09%

Note. 31C

Concentration of Exposures

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Total Advances to twenty Largest borrowers	8,00,000	6,00,000
Percentage of total Advances to twenty Largest borrowers to total advance of the NBFC	0.09%	0.09%

Note. 31D

Concentration of NPA'S

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Total Exposure to top four NPA accounts	35,319	24,790

Note 32 Average rate of Interest, cost of borrowing and Margin

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
Average Interest(a)		
Average cost of borrowing(b)	25.16%	24.63%
Margin(a-b)	15.58%	13.83%
	9.58%	10.80%

Note 33

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		
a. Debentures: Secured	Nil	Nil
Unsecured	Nil	Nil
(other than failing within the meaning of public deposits)		
b. Deferred Credits		
c. Term Loans	Nil	Nil
d. Inter-corporate loans and borrowing	1,12,73,17,254	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) :		
a. In the form of unsecured debentures	Amount Outstanding	Amount Overdue
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



JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED
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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)		88,95,05,908	88,95,05,908
4 Break -up of Leased Assets and stock on hire and hypothecation Loans counting towards EL/HP activities :			
I Lease assets including lease rentals under Sundry Debtors			
a. Financial lease	Nil		Nil
b. Operating lease	Nil		Nil
II Stock on hire including hire charges under Sundry Debtors			
a. Assets on hire	Nil		Nil
b. Repossessed Assets	Nil		Nil
III Hypothecation Loans counting towards EL/HP activities			
a. Loans where assets have been repossessed	Nil		Nil
b. Loans other than (a) above	Nil		Nil
Total		Nil	Nil
5 Break up of Investments :			
Current Investments			
1 Quoted Shares			
I Shares : (a) Equity			
(b) Preference	Nil		Nil
II Debentures and Bonds	Nil		Nil
III Units of mutual funds	Nil		Nil
IV Government Securities	Nil		Nil
V Others (Please Specify)	Nil		Nil
2 Un-Quoted Shares			
I Shares : (a) Equity			
(b) Preference	Nil		Nil
II Debentures and Bonds	Nil		Nil
III Units of mutual funds	Nil		Nil
IV Government Securities	Nil		Nil
V Others (Please Specify)	Nil		Nil
Long Term Investments :			
1 Quoted Shares			
I Shares : (a) Equity			
(b) Preference	Nil		Nil
II Debentures and Bonds	Nil		Nil
III Units of mutual funds	Nil		Nil
IV Government Securities	Nil		Nil
V Others (Please Specify)	Nil		Nil
2 Un-Quoted Shares			
I Shares : (a) Equity			
(b) Preference	Nil		Nil
II Debentures and Bonds	Nil		Nil
III Units of mutual funds	Nil		Nil
IV Government Securities	Nil		Nil
V Others (Please Specify)	Nil		Nil
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	Nil	Nil	Nil
b. Companies in the same group	Nil	Nil	Nil
c. Other related parties	Nil	Nil	Nil
2 Other than related parties	Nil	88,95,05,908	88,95,05,908



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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED
(Formerly Janakalyan Consultancy & Services Pvt. Ltd)


7 Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and un quoted).

Partculars	Market value/Break up or fair value or NAV	Book Value (Net of provisions)
Category		
1 Related Parties	Nil	Nil
a.Subsidiaries	Nil	Nil
b.Companies in the same group	Nil	Nil
c.Other related parties		
2 Other than releted parties	Nil	Nil
Total	Nil	Nil
**As per Accounting Standard of ICAI		
8 Other Information:		
Particulars		
I. Gross Non-performing Assets		
a.Related parties	Nil	Nil
b.Other than related parties	52,990	52,990
II Net Non-performing Assets		
a.Related parties	Nil	Nil
b.Other than related parties	Nil	Nil
III Assets acquired in satisfaction of debt		

Note-34 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



Biswanath Paul
(Partner)
M. No.068186



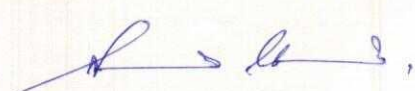
Date :27/04/2019

Place:Kolkata

For and on behalf of the Board of Directors


Sunanda Kr. Mitra
Chairman


Alok Biswas
Managing Director


Anindita Chanda
Company Secretary