



May 25, 2016

To,
Listing Operations
BSE Limited,
P J Towers, Dalal Street,
Mumbai - 400001.

Dear Sir/Madam

Sub: Half Yearly Communication for half year ending **31st March 2016**

Ref: SEBI Circular No: SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 read with SEBI Circular No: SEBI/IMD/DOF-1/BOND/Cir-5/2009 dated November 26, 2009 on simplified listing agreement for debt securities.

In pursuant to the clause 6 in above mentioned SEBI Circulars the below information as on **31st March 2016** is being furnished to you.

| Sr No | Particulars | Details |
|-------|---|---|
| 1 | Latest Credit Rating | |
| 2 | Asset Cover Available | As per Annexure I |
| 3 | Debt-Equity Ratio (as on 31 st March 2016) | As per Annexure I |
| 4 | Net Profit after Tax | 7.74 |
| 5 | Net Worth | 160.29 Crs |
| 6 | Earnings per Share | 1244.40 Crs |
| 7 | Previous due date for the payment of interest / principal and whether the same has been paid or not | Basic - 371.36 Diluted - 368.61 As per Annexure I |
| 8 | Next due date for the payment of interest / principal | As per Annexure I |

Kindly acknowledge receipt.

For Janalakshmi Financial Services Pvt Ltd

Authorised Signatory (ies)



Counter Signatory

For GDA TRUSTEESHIP LIMITED

Authorised Signatory (ies)

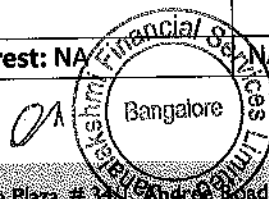


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Annexure I

| Scrip Code Series ISIN | Credit Rating | Security Asset Cover | Previous Due Date (Interest / Principal) | Status | Next Due Date (Interest / Principal) |
|---|-----------------|-------------------------|---|--------|---|
| 952460 Series 014(A) INE953L07164 | ICRA A (Stable) | 110% | Interest: NA Principal: NA | NA | Interest: 22 nd July 2016 Principal: 22 nd July 2017 |
| 952461 Series 014(B) INE953L07172 | ICRA A (Stable) | 110% | Interest: NA Principal: NA | NA | Interest: 22 nd July 2016 Principal: 22 nd July 2018 |
| 952462 Series 014(C) INE953L07180 | ICRA A (Stable) | 110% | Interest: NA Principal: NA | NA | Interest: 22 nd July 2016 Principal: 22 nd July 2019 |
| 952608 Series 018 INE953L08014 | ICRA A (Stable) | Unsecured | Interest: NA Principal: NA | NA | Interest: 11 th Aug 2016 Principal: 10 th Aug 2018 |
| 952615 Series 019 INE953L07230 | ICRA A (Stable) | 110% | Interest: NA Principal: NA | NA | Interest: 14 th Aug 2016 Principal: 14 th Aug 2018 |
| 952679 Series 020 INE953L08022 | ICRA A (Stable) | Unsecured | Interest: NA Principal: 29 th Feb 2016 | Paid | Interest: 29 th Aug 2016 Principal: 30 th May 2016 |
| 952688 Series 021 INE953L07248 | ICRA A (Stable) | 110% | Interest: NA Principal: NA | NA | Interest: 31 th Aug 2016 Principal: 16 th Aug 2018 |
| 952790 Series 022 INE953L07255 | ICRA A (Stable) | 110% | Interest: 23 rd March 2016 Principal: NA | Paid | Interest: 23 rd Sept 2016 Principal: 23 th Sep 2021 |
| 953148 Series 023 INE953L08030 | ICRA A (Stable) | Unsecured | Interest: 31 st March 2016 Principal: NA | Paid | Interest: 30 th Sept 2016 Principal: 22 nd Dec 2022 |
| 953161 Series 024 INE953L08048 | ICRA A (Stable) | Unsecured | Interest: 31 st March 2016 Principal: NA | Paid | Interest: 30 th June 2016 Principal: 30 th June 2021 |
| 953156 Series 025 INE953L07263 | ICRA A (Stable) | 105% | Interest: 31 st March 2016 Principal: NA | Paid | Interest: 29 th Apr 2016 Principal: 29 th Dec 2017 |
| 953397 Series 026 INE953L07271 | ICRA A (Stable) | 105% | Interest: NA Principal: NA | NA | Interest: 5 th Feb 2017 Principal: 8 th Apr 2019 |
| 953716 | ICRA A (Stable) | 110% | Interest: NA | NA | Interest: 30 th Mar 2019 |



2 of 3



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| | | | | | |
|--------------------------------------|-----------------|-----------|-------------------------------|----|--|
| Series 027 INE953L07289 | | | Principal: NA | | Principal: 30 th Mar 2019 |
| 953629 Series 028 INE953L08055 | ICRA A (Stable) | Unsecured | Interest: NA Principal: NA | NA | Interest: 21 st Mar 2017 Principal: 19 th May 2023 |
| 953718 Series 029 INE953L08063 | ICRA A (Stable) | Unsecured | Interest: NA Principal: NA | NA | Interest: 28 th Sept 2016 Principal: 27 th May 2022 |

For Janalakshmi Financial Services Ltd

Authorised Signatory (ies)



Counter Signatory

For GDA TRUSTEESHIP LIMITED

Authorised Signatory (ies)



May 13, 2016

To,

GDA Trusteeship Ltd.
Office No. 83 – 87, 8th floor, 'Mittal Tower',
'B' Wing, Nariman Point,
Mumbai – 400021

Kind Attn: Mr. Umesh Salvi

Dear Sir,

Sub: Confirmation of Interest Payment/Redemption

We hereby confirm the payments made to the debenture holders as below:

| Series ISIN | Debenture Holder (Payee) | Due Date | Net Amount Paid (in Rs) | Payment Date, Mode and Ref No | Remarks |
|---------------------|--------------------------|---------------------------------|----------------------------|--|---------------------|
| 025 INE953L07263 | IDFC Bank Limited | 29 th April, 2016 | 2,37,70,492 /- | 28 th April, 2016 RTGS Ref no CMS422584223 | Interest Payment |

Kindly acknowledge the receipt of this letter.

Thanking you,

For Janalakshmi Financial Services Ltd.

Authorized Signatory



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JANALAKSHMI FINANCIAL SERVICES LIMITED (FORMERLY JANALAKSHMI FINANCIAL SERVICES PRIVATE LIMITED)

1.0 Report on the Financial Statements

We have audited the accompanying financial statements of **JANALAKSHMI FINANCIAL SERVICES LIMITED (FORMERLY JANALAKSHMI FINANCIAL SERVICES PRIVATE LIMITED)** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2.0 Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

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.

3.0 Auditor's Responsibility

- 3.1 Our responsibility is to express an opinion on these financial statements based on our audit.
- 3.2 We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.



- 3.3 We conducted our audit of the financial statements 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.
- 3.4 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
- 3.5 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.

4.0 Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

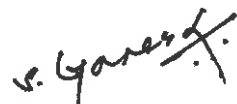
5.0 Report on Other Legal and Regulatory Requirements

- 5.1 As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 5.2 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 **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm's Registration No. 008072S



S. Ganesh
Partner
Membership No. 204108

Place: Mumbai
Date : May 11, 2016



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 5.1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **JANALAKSHMI FINANCIAL SERVICES LIMITED (FORMERLY JANALAKSHMI FINANCIAL SERVICES PRIVATE LIMITED)** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company as of and for the year ended on that date.

1.0 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 (the “Guidance Note”) 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 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.

2.0 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 issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



3.0 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.

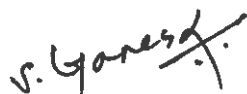
4.0 Inherent Limitations of Internal Financial Controls Over Financial Reporting

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.

5.0 Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 issued by the Institute of Chartered Accountants of India.

for **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm's Registration No. 008072S



S. Ganesh
Partner
Membership No. 204108

Place: Mumbai
Date : May 11, 2016



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 5.2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, material discrepancies were noticed on physical verification of fixed assets and such discrepancies aggregating to Rs. 18,037,999/- in the carrying value of fixed assets have been properly dealt with in the books of accounts.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There are no unclaimed deposits as on March 31, 2016.



(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

| Name of Statute | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount Involved (Rs.) |
|----------------------|----------------|--------------------------------------|------------------------------------|-----------------------|
| Income Tax Act, 1961 | Income Tax | Commissioner of Income Tax (Appeals) | Assessment Year 2012-13 | 6,033,537* |
| | | Commissioner of Income Tax (Appeals) | Assessment Year 2013-14 | 27,434,690 |

*Net of Rs.20,11,180/- paid under protest.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of debt instruments & term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The company has not raised money by way of initial public offer/further public offer.

(x) To the best of our knowledge and according to the information and explanations given to us, the management has identified fraud relating to misappropriation of funds by certain employees/others which is estimated at Rs. 10,813,638/-of which Rs. 2,916,903/- has been recovered on the Balance Sheet date and management is taking necessary steps for recovery of the balance amount and no fraud by the Company has been noticed or reported during the year.



**Deloitte
Haskins & Sells**

- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made private placement of shares or fully or partly convertible debentures during the year under review.

In respect of the above issue, we further report that:

- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
 - b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
 - (xvi) The Company is required to be registered under section 45-I of the Reserve Bank of India Act, 1934 and it has obtained the registration.

for **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm's Registration No. 008072S



S. Ganesh
Partner
Membership No. 204108

Place: Mumbai
Date: May 11, 2016



Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Balance Sheet as at 31 March 2016

Rupees

| Particulars | Note No. | As at 31 March 2016 | As at 31 March 2015 |
|---|----------|------------------------|------------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share capital | 3 | 75,500,700 | 1,253,353,880 |
| (b) Reserves and surplus | 4 | 12,208,749,738 | 9,479,959,287 |
| Total | | 12,284,250,438 | 10,733,313,167 |
| 2 Non-current liabilities | | | |
| (a) Long - term borrowings | 5 | 55,570,157,118 | 18,689,357,076 |
| (b) Long - term provisions | 6 | 501,753,843 | 115,682,560 |
| Total | | 56,071,910,961 | 18,805,039,636 |
| 3 Current liabilities | | | |
| (a) Short - term borrowings | 7 | 2,031,913,110 | 187,935,201 |
| (b) Trade payables | 8 | | |
| (i) Total Outstanding Dues of Micro Enterprises and Small Enterprises | | - | - |
| Total Outstanding Dues of Creditors other than Micro Enterprises and | | | |
| (ii) Small enterprises | | 869,120,942 | 257,008,918 |
| (c) Other current liabilities | 9 | 42,350,880,079 | 19,671,595,365 |
| (d) Short - term provisions | 10 | 601,393,980 | 354,561,042 |
| Total | | 45,853,308,111 | 20,471,100,526 |
| TOTAL | | 114,209,469,510 | 50,009,453,329 |
| II. ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible assets | 11 | 789,934,571 | 533,265,311 |
| (ii) Intangible assets | 12 | 291,376,024 | 107,381,231 |
| (iii) Intangible assets under development | | 45,076,095 | 132,833,864 |
| (b) Non-current investments | 13 | 1,000,000 | 1,000,000 |
| (c) Deferred tax asset | 38 | 364,533,499 | 109,137,539 |
| (d) Long-term loans and advances | 14 | 43,548,865,562 | 10,434,117,730 |
| (e) Other non-current assets | 15 | 1,628,559,745 | 1,027,323,426 |
| Total | | 46,669,345,496 | 12,345,059,101 |
| 2 Current assets | | | |
| (a) Cash and cash equivalents | 16 | 18,743,769,054 | 10,810,817,741 |
| (b) Short-term loans and advances | 17 | 139,782,307 | 134,836,114 |
| (c) Other current assets | 18 | 48,656,572,653 | 26,718,740,373 |
| | | 67,540,124,014 | 37,664,394,228 |
| TOTAL | | 114,209,469,510 | 50,009,453,329 |
| See accompanying notes forming part of the financial statements | 1 to 58 | | |

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

S. Ganesh
S. Ganesh

Partner

For and on Behalf of the Board of Directors

R. Srinivasan
R. Srinivasan
Executive Vice Chairman

Richa Saxena
Richa Saxena
Company Secretary

V.S. Radhakrishnan
V.S. Radhakrishnan
Managing Director & CEO

Jayashree Bhansali
Jayashree Bhansali
Chief Financial Officer

Place: *Mumbai*
Date: *May 11, 2016*

Place: *Mumbai*
Date: *May 11, 2016*


Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Statement of Profit and Loss for the year ended 31 March 2016

| | | Rupees | | |
|-------------|---|----------|-------------------------------------|-------------------------------------|
| Particulars | | Note No. | For the year ended 31 March 2016 | For the year ended 31 March 2015 |
| I. | Revenue from operations | 19 | 16,306,199,751 | 6,879,870,574 |
| II. | Other income | 20 | 1,539,247,145 | 690,185,756 |
| III. | Total Revenue | | 17,845,446,896 | 7,570,056,330 |
| IV. | Expenses: | | | |
| | Finance costs | 21 | 7,550,993,729 | 3,225,219,194 |
| | Employee salary and benefits | 22 | 2,754,877,853 | 1,230,173,992 |
| | Depreciation and amortization expense | 11&12 | 353,445,481 | 162,097,504 |
| | Other expenses | 23 | 3,854,270,745 | 1,617,970,326 |
| | Provision/ write off for receivables under financing activity | 24 | 949,795,482 | 263,144,261 |
| | Total expenses | | 15,463,383,290 | 6,498,605,277 |
| V | Profit for the year before Exceptional Items and Tax | | 2,382,063,606 | 1,071,451,053 |
| VI | Exceptional items | 39 | - | (13,504,934) |
| VII | Profit for the year before Tax | | 2,382,063,606 | 1,084,955,987 |
| VIII | Tax expense: | | | |
| | (1) Current tax | | 1,034,571,589 | 371,400,000 |
| | (2) Deferred tax (Refer Note 38) | | (255,395,960) | (40,553,237) |
| IX | Profit for the year after Tax | | 1,602,887,977 | 754,109,224 |
| X | Earnings per equity share (Face value of Rs. 10/- each): | | | |
| | (1) Basic | | 371.36 | 211.89 |
| | (2) Diluted | | 368.61 | 211.15 |
| | (Refer Note 37) | | | |

See accompanying notes forming part of the financial statements


1 to 58

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants



S. Ganesh
Partner



For and on Behalf of the Board of Directors


R. Srinivasan
Executive Vice Chairman


Richa Saxena
Company Secretary


V.S. Radhakrishnan
Managing Director & CEO


Jasneel Bhansali
Chief Financial Officer

Place: Mumbai
Date: May 11, 2016

Place: Mumbai
Date: May 11, 2016

Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Cash Flow Statement for the year ended 31 March 2016

| | | | Rupees | |
|-----------|---|--------------------|-------------------------------------|-------------------------------------|
| | Particulars | | For the year ended 31 March 2016 | For the year ended 31 March 2015 |
| A. | Cash flow from Operating activities | | | |
| | Net Profit before exceptional items & tax | | 2,382,063,606 | 1,071,451,053 |
| | Add: Depreciation and amortisation | | 353,445,481 | 162,097,504 |
| | Add: Provision in respect of non performing & standard assets | | 577,207,440 | 99,114,693 |
| | Add: Provision/(Reversal) for non performing assets | | (26,950,364) | 88,860,564 |
| | Add: Provision/(Reversal) for credit enhancement | | - | (18,564,843) |
| | Add: Loss on fixed asset | | 24,684,765 | - |
| | Less: Profit on sale of asset | | - | (79,201) |
| | Less: Earnings from bank interest | | (435,259,028) | (236,331,564) |
| | Less: Dividend from mutual funds | | (137,898,688) | (121,426,387) |
| | Less: Profit from sale of mutual funds | | - | - |
| | Operating profit before working capital changes | | 2,737,293,212 | 1,045,121,819 |
| | Changes in working capital | | | |
| | (Increase) / Decrease in receivables under financing activity | | (54,144,911,133) | (17,859,486,417) |
| | (Increase) / Decrease in long term loans and advances | | (286,202,538) | (75,464,835) |
| | (Increase) / Decrease in short term loans and advances | | (4,946,193) | (69,774,917) |
| | (Increase) / Decrease in other current assets | | (409,101,058) | (216,727,252) |
| | (Increase) / Decrease in other non-current assets | | (151,909,420) | (87,557,612) |
| | (Increase) / Decrease in balances held as margin money | | (701,429,413) | (400,913,981) |
| | Increase / (Decrease) in trade payables | | 612,112,023 | 98,851,288 |
| | Increase / (Decrease) in other current liabilities | | 3,838,183,982 | 103,511,736 |
| | Increase / (Decrease) in other non current liabilities | | - | (13,933,636) |
| | Increase/(Decrease) in provisions | | 70,411,186 | 27,399,460 |
| | Net change in working capital | | (51,177,792,564) | (18,494,096,166) |
| | Cash generated from operations | | (48,440,499,352) | (17,448,974,348) |
| | Direct taxes paid / (refund received) | | 1,236,687,356 | 386,995,353 |
| | Net cash from / (used in) operating activities | (A) | (49,677,186,708) | (17,835,969,701) |
| B. | Cash flow from investing activities | | | |
| | Purchase of fixed assets | | (717,902,653) | (600,006,685) |
| | Sale of fixed assets | | 1,087,290 | 256,810 |
| | Earnings from bank interest | | 424,575,093 | 168,141,878 |
| | Dividend from mutual fund | | 137,898,688 | 121,426,387 |
| | Net cash from / (used in) investing activities | (B) | (154,341,582) | (310,181,610) |
| C. | Cash flow from financing activities | | | |
| | Proceeds from issue of share capital | | - | 617,721,590 |
| | Share premium received | | - | 4,270,983,320 |
| | Share issue expenses | | - | (10,304,395) |
| | Proceeds from long term borrowings | | 81,040,147,467 | 33,185,757,800 |
| | (Repayment) of long term borrowings | | (24,348,489,950) | (14,270,529,416) |
| | Proceeds of short term borrowings | | 2,532,727,414 | 940,000,000 |
| | (Repayment) of short term borrowings | | (1,672,727,414) | (940,000,000) |
| | Dividends paid | | (32,372,550) | (30,828,195) |
| | Tax on dividend | | (6,472,606) | (5,239,252) |
| | Net cash from / (used in) financing activities | (C) | 57,512,812,361 | 23,757,561,452 |
| | Net Increase/(Decrease) in cash and cash equivalents during the year | (A)+(B)+(C) | 7,681,284,071 | 5,611,410,141 |
| | Cash and cash equivalents at the beginning of the year | | 9,999,730,370 | 4,388,320,229 |
| | Cash and cash equivalents at the end of the year | | 17,681,014,441 | 9,999,730,370 |
| | Reconciliation of Cash and cash equivalents with the Balance Sheet: | | | |
| | Cash and cash equivalents as per Balance Sheet (Refer Note 16) | | 18,743,769,054 | 10,810,817,741 |
| | Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements | | 1,062,754,613 | 811,087,371 |
| | Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 16 | | 17,681,014,441 | 9,999,730,370 |



Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)

Cash Flow Statement for the year ended 31 March 2016

Rupees

| Particulars | For the year ended 31 March 2016 | For the year ended 31 March 2015 |
|---|-------------------------------------|-------------------------------------|
| Cash and cash equivalents at the end of the year* | 17,681,014,441 | 9,999,730,370 |
| * Comprises: | | |
| (a) Cash on hand | 183,531,034 | 49,684,323 |
| (b) Balances with banks | | |
| (i) In current accounts | 5,467,483,407 | 1,401,046,048 |
| (ii) In deposit accounts with original maturity of less than 3 months | 12,030,000,000 | 8,548,999,999 |

See accompanying notes forming part of the financial statements

1 to 58

Note:

The above cash flow statement has been prepared under the indirect method as prescribed in Accounting Standard 3 on Cash Flow Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

S. Ganesh
Partner



For and on Behalf of the Board of Directors

R. Srinivasan
Executive Vice Chairman
Richa Saxena
Company Secretary

V.S. Radhakrishnan
Managing Director & CEO
Jyotsneel Bhansali
Chief Financial Officer

Place: Mumbai
Date: May 11, 2016

Place: Mumbai
Date: May 11, 2016

Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of the Financial Statements

Note 1

CORPORATE INFORMATION

Janalakshmi Financial Services Limited, headquartered in Bangalore, was incorporated on 24 July 2006 to carry on the business of providing financial services including granting loans, advances, trade credits, etc. and other related activities as may be permitted by the Reserve Bank of India. The Company has been registered as a Non-Banking Financial Company (NBFC) with the Reserve Bank of India from 4 March 2008. The Company got classified as a NBFC-MFI effective 5 September 2013. The Company has become a public limited company under the provisions of Companies Act, 2013, with effect from 10 August 2015.

On 16 September 2015, RBI granted "In Principle" approval for converting Janalakshmi Financial Services Limited to 'Small Finance Bank'. The "In-principle" approval granted is valid for 18 months to comply with the guidelines of the RBI.

Note 2

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared & presented on accrual basis, under the historical cost convention, unless otherwise stated, in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013, as applicable. The accounting policies have been consistently applied except for the changes in the accounting policies disclosed in the financial statements, if any.

The Company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by the Reserve Bank of India for Systemically Important Non-deposit taking Non-Banking Finance Companies - MFI (NBFC-ND-SI-MFI).

2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and the reported amounts of income and expenditure during the year reported. Actual results could differ from those estimates. Any revision to accounting estimates are recognized prospectively in the current and future periods.

3 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

4 Fixed assets, Depreciation & Amortisation

Fixed assets are carried at cost less accumulated depreciation/amortisation and impairment, if any. Cost includes purchase price and other costs incurred towards acquisition and installation of the asset. Specific grant received for acquisition of fixed assets are reduced from the cost of the asset.

Depreciation on fixed assets (other than leasehold improvements, Marketing and Distribution Network and software) is charged over the estimated useful life on a straight line basis after retaining a residual value of 5%. Fixed assets (other than leasehold improvements, Marketing and Distribution Network and software) acquired prior to 1 April 2014, is depreciated over the remaining useful life on the carrying amount as on 1 April 2014, after retaining a residual value of 5%. Useful life of fixed assets as given in Part C of the Schedule II to Companies Act, 2013 is as under :-

| Type of Asset | Useful Life |
|------------------------------|--|
| Leasehold improvements | Primary leasehold period or 3 years whichever is earlier |
| Computers including desktops | 3 Years |
| Servers & Networks | 6 Years |
| Furniture & Fixtures | 10 Years |
| Electrical equipment | 10 Years |
| Office equipment | 5 Years |

Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of the Financial Statements

Intangibles assets acquired are capitalized and amortised over the estimated useful life as mentioned below :-

| Type of Asset | Useful Life |
|------------------------------------|-------------|
| Marketing and Distribution Network | 5 Years |
| Software | 3 Years |

The estimated useful life of the intangible assets are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Fixed Assets purchased during the year are depreciated on the basis of actual number of days the asset has been put to use in the year. Assets disposed off during the year are depreciated upto the date of disposal.

5 Revenue recognition

Interest on loans granted: Interest income from Loan for Financial Assistance granted to Large Group (Formerly Self Help Groups (SHGs)), Small Group (Formerly Mutual Guarantee Groups (MGGs)), Individuals and others including income arising out of securitization, is recognized on accrual basis. Interest income included in the Equated Monthly Installments from Self Help Groups and Individuals (Family Loans) is determined on Monthly rest based on the principal outstanding. Interest income from loan accounts that are overdue for more than 90 days is not recognized in view of the uncertainty in recovering the sums and is recognized in the year of realisation of such income.

Loan processing fee & registration charges: Loan processing fee and registration charges are recognised on registration of the Groups and Individuals with the Company.

Interest on fixed deposits: Interest income on fixed deposits with banks is recognised on a time proportionate basis at the applicable interest rates.

Dividend on mutual funds: Dividend income is accounted on an accrual basis when the right to receive the dividend is established.

6 Investments

Long-term Investments are carried at cost. Provision for diminution in value of long term investments is made to recognise a decline, which is other than temporary. Current investments are carried at lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

7 Employee benefits

Defined contribution plan: Company makes specified monthly contributions to the Regional Provident Fund Commissioner to secure retiral benefits in respect of Employees' Provident Fund and Employees' Family Pension Fund, based on the statutory provisions as per the Employee Provident Fund Scheme. The contribution made by the company is recognised as an expense in the Statement of Profit and Loss during the year in which the employee renders the related service.

Defined benefit plan & long term compensated absences: Liability for defined benefit gratuity plan and long term accumulated compensated absences is determined by estimating the present value of amount of benefit that employees have earned in return for their service in the current and prior periods. The Company accounts for its liability for long term unfunded compensated absences and funded gratuity based on actuarial valuation, as at the Balance Sheet date, determined annually by an independent actuary using the Projected Unit Credit Method.

Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the year in which they occur. Past Service Cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Short term employee benefits: Short term employee benefits expected to be paid in consideration for the services rendered by the employees is recognized during the year when the employee renders service.



Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of the Financial Statements

8 Accounting for lease

Finance Lease: Assets under finance lease are capitalized at fair market value or present value of minimum lease payments, whichever is lower. Finance lease payments are apportioned between finance charges and reduction of the lease liability, so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as an expense in the Statement of Profit and Loss.

Operating Lease: Lease rentals on assets under operating lease is charged off to the Statement of Profit and Loss on a straight-line basis in accordance with the AS-19, Leases.

9 Earnings per share

The company reports basic and diluted earnings per share in accordance with the AS-20, Earnings Per Share. Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflects the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and the dilutive potential equity shares outstanding during the year.

10 Taxes

Direct Taxes: Income tax expense comprises the current tax provision and the net change in the deferred tax asset or liability during the year. Current tax is the amount of tax determined on the taxable income for the year as per the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets & liabilities are measured using the tax rates and the tax laws enacted or substantively enacted as at the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. In case of unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and appropriately adjusted to reflect the amount that is reasonably / virtually certain to be realised.

Indirect Taxes: Service Tax input credit is accounted for in the books in the period when the underlying service received is accounted and when there is no uncertainty in availing or utilizing the same.

11 Impairment of assets

In accordance with AS 28 - Impairment of Assets, the company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The impairment loss is recognised as an expense in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.



Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of the Financial Statements

12 Foreign currency transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transaction. Outstanding foreign currency monetary assets and liabilities are translated at year end rates. Gains/Losses arising on restatement / settlement are adjusted to the Statement of profit and loss as applicable.

13 Provisions, contingent liabilities and contingent assets

In accordance with AS 29 - Provisions, Contingent Liabilities and Contingent Assets, the company creates a provision when there is a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balances sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resource would be required to settle the obligation, the provision is reversed.

A disclosure for contingent liability is made when there is a possible obligation, or a present obligation where outflow of resources is not probable.

Contingent assets are neither recognized nor disclosed in the financial statements since they may result in the recognition of income that may never be realized.

14 Provisioning norms for loans

Company's provisioning policy is as under:

The aggregate loan provision to be maintained by the Company at any point of time shall not be less than the higher of (A) or (B) or (C)

| | |
|---|--|
| A | For Micro Finance loans higher of (a) 1% of the outstanding loan portfolio or (b) aggregate of 50% of overdue for installments due for 90 - 180 days and 100% of overdue for installments due for greater than 180 days; AND for non Micro Finance loans aggregate of 10% of principal outstanding for installments due for 150 - 480 days and 100% of principal outstanding for installments due for greater than 480 days |
|---|--|

| | |
|---|---|
| B | 1% of the overall outstanding loan portfolio (for both Micro finance loans and non micro finance loans) |
|---|---|

| | | | |
|---|----------------------------------|---------------|-------------------|
| C | Aggregate of Particulars | Micro Finance | Non Micro Finance |
| | Standard Assets | 0.25% | 1% |
| | Installments due for 90-180 days | 50% | 25% |
| | Installments due for >180 days | 100% | 100% |

Over and above the Company maintains standard provision of 0.3% on standard assets of non micro finance loan as per RBI Master Circular No. DNBR (PD) CC.No.043/03.10.119/2015-16 dated 1 July 2015.

15 Loan processing and syndication charges

Prepaid Loan Processing and Syndication charges represent ancillary costs incurred in connection with the arrangement of borrowings and is amortized on straight line basis over the tenure of respective borrowings. Unamortised borrowing cost, if any, is fully expensed off as and when the related borrowing is prepaid / cancelled.

16 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

17 Grants

Grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received. The grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.



Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of the Financial Statements

18 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

19 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.



Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of Financial Statements

Note 3

Share capital

| Particulars | Rupees | |
|--|------------------------|------------------------|
| | As at 31 March 2016 | As at 31 March 2015 |
| Authorised | | |
| Equity | | |
| 5,500,000 (31 March 2015: 5,000,000) Class 'A' Equity Shares of Rs.10/- each with voting rights | 55,000,000 | 50,000,000 |
| Preference | | |
| 1,221,000,00 (31 March 2015: 1,220,000,00) Preference Shares of Rs.10 each | 1,221,000,000 | 1,220,000,000 |
| Issued, Subscribed and Fully Paid- up | | |
| 4,316,240 (31 March 2015: 4,316,228) Class 'A' Equity Shares of Rs.10 each fully paid up with voting rights | 43,162,400 | 43,162,280 |
| Total Equity share capital | 43,162,400 | 43,162,280 |
| 0.0001% Compulsorily Convertible Preference Shares | | |
| 3,143,830 (31 March 2015: 3,143,830) 0.0001% Class A Compulsorily Convertible Preference Shares of Rs. 10/- each | 31,438,300 | 31,438,300 |
| Nil (31 March 2015: 24,729,130) 0.0001% Class B Compulsorily Convertible Preference Shares of Rs. 10/- each | - | 247,291,300 |
| Nil (31 March 2015: 17,467,430) 0.0001% Class C Compulsorily Convertible Preference Shares of Rs. 10/- each | - | 174,674,300 |
| Nil (31 March 2015: 9,672,741) 0.0001% Class D Compulsorily Convertible Preference Shares of Rs. 10/- each | - | 96,727,410 |
| Nil (31 March 2015: 5,417,339) 0.0001% Class E Compulsorily Convertible Preference Shares of Rs. 10/- each | - | 54,173,390 |
| 50,000 (31 March 2015: 50,000) 0.0001% Class F Compulsorily Convertible Preference Shares of Rs. 10/- each | 500,000 | 500,000 |
| Nil (31 March 2015: 2,169,280) 0.0001% Class G Compulsorily Convertible Preference Shares of Rs. 10/- each | - | 21,692,800 |
| Nil (31 March 2015: 11,192,030) 0.0001% Class H Compulsorily Convertible Preference Shares of Rs. 10/- each | - | 111,920,300 |
| Nil (31 March 2015: 8,135,260) 0.0001% Class I Compulsorily Convertible Preference Shares of Rs. 10/- each | - | 81,352,600 |
| 40,000 (31 March 2015: 40,000) 0.0001% Class J Compulsorily Convertible Preference Shares of Rs. 10/- each | 400,000 | 400,000 |
| Nil (31 March 2015: 39,002,120) 0.0001% Class K Compulsorily Convertible Preference Shares of Rs. 10/- each | - | 390,021,200 |
| Total 0.0001% Compulsorily Convertible Preference Shares | 32,338,300 | 1,210,191,600 |
| TOTAL | 75,500,700 | 1,253,353,880 |

Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of Financial Statements

Note 3

Share capital

Note (a)

| Reconciliation of the no. of shares outstanding at the beginning and at the end of the year: | As at 31 March 2016 | As at 31 March 2015 |
|--|------------------------|------------------------|
| Equity shares of Rs.10 each fully paid up | | |
| No. of Shares as at the beginning of the year | | |
| Class A | 4,316,228 | 3,082,759 |
| Class B | - | - |
| Class C | - | - |
| Converted to Class 'A' Equity shares of Rs.10 each fully paid up | | |
| Class A* | 12 | 167,229 |
| Class B | - | - |
| Class C | - | - |
| Add: Issued during the year | | |
| Class A | - | 1,066,240 |
| Class B | - | - |
| Class C | - | - |
| No. of shares as at the end of the year | | |
| Class A | 4,316,240 | 4,316,228 |
| Class B | - | - |
| Class C | - | - |
| Preference shares of Rs. 10 each fully paid up | | |
| No. of Shares as at the beginning of the year | 121,019,160 | 60,480,470 |
| Less: converted to equity during the year* | | |
| 24,729,130 Class B 0.0001% Compulsorily Convertible Preference Shares of Rs. 10/- each converted into 1 Class 'A' Equity Share of Rs.10/- each | (24,729,130) | - |
| 17,467,430 Class C 0.0001% Compulsorily Convertible Preference Shares of Rs. 10/- each converted into 1 Class 'A' Equity Share of Rs.10/- each | (17,467,430) | - |
| 9,672,741 Class D 0.0001% Compulsorily Convertible Preference Shares of Rs. 10/- each converted into 1 Class 'A' Equity Share of Rs.10/- each | (9,672,741) | - |
| 5,417,339 Class E 0.0001% Compulsorily Convertible Preference Shares of Rs. 10/- each converted into 1 Class 'A' Equity Share of Rs.10/- each | (5,417,339) | - |
| 2,169,280 Class G 0.0001% Compulsorily Convertible Preference Shares of Rs. 10/- each converted into 2 Class 'A' Equity Share of Rs.10/- each | (2,169,280) | - |
| 11,192,030 Class H 0.0001% Compulsorily Convertible Preference Shares of Rs. 10/- each converted into 2 Class 'A' Equity Share of Rs.10/- each | (11,192,030) | - |
| 8,135,260 Class I 0.0001% Compulsorily Convertible Preference Shares of Rs. 10/- each converted into 2 Class 'A' Equity Share of Rs.10/- each | (8,135,260) | - |
| 39,002,120 Class K 0.0001% Compulsorily Convertible Preference Shares of Rs. 10/- each converted into 2 Class 'A' Equity Share of Rs.10/- each | (39,002,120) | - |
| Add: Issued during the year | - | 60,538,690 |
| No. of Shares as at the end of the year | 3,233,830 | 121,019,160 |

*During the year 2015-16, 117,785,330 Compulsorily Convertible Preference Shares of Rs.10/- each were converted into 12 Class A Equity Shares

During the previous year 2014-15, 42,431,000 Compulsorily Convertible Debentures of Rs.10/- each were converted into 167,229 Class A Equity Shares.

Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of Financial Statements

Note 3
Share capital

Note (b)

Number of Equity shares held by each shareholder holding more than 5% shares in the company are as follows:

| Shareholder | As at 31 March 2016 | | As at 31 March 2015 | |
|---|------------------------|--------------|------------------------|--------------|
| | Class A | % of Holding | Class A | % of Holding |
| Jana Capital Limited* | 1,137,746 | 26.36% | - | - |
| Jana Urban Foundation | - | - | 775,950 | 17.98% |
| North Haven Private Equity Asia Platinum Pte. Ltd (Earlier known as MSPEA Platinum Pte. Ltd.) | 641,520 | 14.86% | 758,752 | 17.58% |
| TPG Asia VI SF Pte. Ltd | 581,113 | 13.46% | 694,718 | 16.10% |
| Client Rosehill Limited | 488,482 | 11.32% | 519,676 | 12.04% |
| Alpha TC Holdings Pte Ltd | 349,795 | 8.10% | 396,263 | 9.18% |
| CVCI GP II Employee Rosehill Limited | 273,580 | 6.34% | 291,049 | 6.74% |
| Treeline Asia Master Fund (Singapore) Pte. Ltd. | 216,088 | 5.01% | 216,088 | 5.01% |

*Note: During the year the shares held by Jana Urban Foundation were acquired by Jana Capital Limited

Note (c)

Key Terms / rights attached to Equity Shares

| Particulars | Class A Shares |
|---------------|---|
| Voting Rights | One voting right per share held |
| Dividend | Same rights and preferences with respect to receipt of dividend |
| Bonus Shares | Equal bonus rights |

Key Terms / rights attached to Preference Shares

| Class of Preference Shares | Rank | Voting | Conversion |
|---|--|--|-----------------------|
| Class A Class B Class C Class D Class E Class F Class G Class H Class I Class J Class K | The Preference Shares shall rank pari passu with Class A Equity Shares of the Company without any preference or priority over them except in respect of dividends. | Preference Shares shall carry no voting rights | Refer Note C(1) Below |

Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of Financial Statements

Note 3

Share capital

Note C(1)

| | |
|----------------|--|
| Class A | <p>The Class A Preference Shares shall carry no voting rights</p> <p>Class A Preference Shares shall unless converted earlier into Class A Equity Shares be compulsorily converted, upon the tenth anniversary of Completion</p> <p>The holders of the Class A Preference Shares shall have the right to convert the Class A Preference Shares into Class A Equity Shares without any additional payment to the Company for such conversion</p> <p>at any time (but within the Class A Preference Shares Conversion Date) in which case all the Class A Preference Shares shall convert to 1 (One) Class A Equity Share</p> <p>on the occurrence of a Dilutive Issuance, in which case the Class A Preference Shares would convert into Class A Equity Shares based on the formula prescribed in shareholders agreement, subject to a maximum of 16,993 Class A Equity Shares</p> |
| Class B | <p>The Class B Preference Shares shall carry no voting rights</p> <p>The Class B Preference Shares shall unless converted earlier into Class A Equity Shares be compulsorily converted, upon the tenth anniversary of Completion</p> <p>The holders of the Class B Preference Shares shall have the right to convert the Class B Preference Shares into Class A Equity Shares without any additional payment to the Company for such conversion</p> <p>at any time (but within the Class B Preference Shares Conversion Date) in which case all the Class B Preference Shares shall convert to 1 (One) Class A Equity Share</p> <p>on the occurrence of a Liquidity Event, in which case all the Class B Preference Shares shall convert to 1 (One) Class A Equity Share.</p> <p>on the occurrence of a Dilutive Issuance, in which case the Class B Preference Shares would convert into Class A Equity Shares based on the formula prescribed in shareholders agreement, subject to a maximum of 133,670 Class A Equity Shares</p> |
| Class C | <p>The Class C Preference Shares shall carry no voting rights</p> <p>The Class C Preference Shares shall unless converted earlier into Class A Equity Shares be compulsorily converted, upon the tenth anniversary of Completion</p> <p>The holders of the Class C Preference Shares shall have the right to convert the Class C Preference Shares into Class A Equity Shares without any additional payment to the Company for such conversion</p> <p>at any time (but within the Class C Preference Shares Conversion Date) in which case all the Class C Preference Shares shall convert to 1 (One) Class A Equity Share</p> <p>on the occurrence of a Liquidity Event, in which case all the Class C Preference Shares shall convert to 1 (One) Class A Equity Share.</p> <p>on the occurrence of a Dilutive Issuance, in which case the Class C Preference Shares would convert into Class A Equity Shares based on the formula prescribed in shareholders agreement, subject to a maximum of 94,418 Class A Equity Shares</p> |
| Class D | <p>The Class D Preference Shares shall carry no voting rights</p> <p>The Class D Preference Shares shall unless converted earlier into Class A Equity Shares be compulsorily converted, upon the tenth anniversary of Completion</p> <p>The holders of the Class D Preference Shares shall have the right to convert the Class D Preference Shares into Class A Equity Shares without any additional payment to the Company for such conversion</p> <p>at any time (but within the Class D Preference Shares Conversion Date) in which case all the Class D Preference Shares shall convert to 1 (One) Class A Equity Share</p> <p>on the occurrence of a Liquidity Event, in which case all the Class D Preference Shares shall convert to 1 (One) Class A Equity Share.</p> <p>on the occurrence of a Dilutive Issuance, in which case the Class D Preference Shares would convert into Class A Equity Shares based on the formula prescribed in shareholders agreement, subject to a maximum of 52,285 Class A Equity Shares</p> |

Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of Financial Statements

Note 3

Share capital

| | |
|----------------|---|
| Class E | <p>The Class E Preference Shares shall carry no voting rights</p> <p>The Class E Preference Shares shall unless converted earlier into Class A Equity Shares be compulsorily converted, upon the tenth anniversary of Completion</p> <p>The holders of the Class E Preference Shares shall have the right to convert the Class E Preference Shares into Class A Equity Shares without any additional payment to the Company for such conversion</p> <p>at any time (but within the Class E Preference Shares Conversion Date) in which case all the Class E Preference Shares shall convert to 1 (One) Class A Equity Share</p> <p>on the occurrence of a Liquidity Event, in which case all the Class E Preference Shares shall convert to 1 (One) Class A Equity Share.</p> <p>on the occurrence of a Dilutive Issuance, in which case the Class E Preference Shares would convert into Class A Equity Shares based on the formula prescribed in shareholders agreement, subject to a maximum of 29,282 Class A Equity Shares</p> |
| Class F | <p>The Class F Preference Shares shall carry no voting rights</p> <p>The Class F Preference Shares shall unless converted earlier into Class A Equity Shares be compulsorily converted, upon the tenth anniversary of Completion</p> <p>at any time (but within the Class F Preference Shares Conversion Date) in which case all the Class F Preference Shares shall convert to 100 Class A Equity Shares</p> <p>on the occurrence of a Liquidity Event, in which case all the Class F Preference Shares shall convert to 100 Class A Equity Share.</p> <p>on the occurrence of a Dilutive Issuance, in which case the Class F Preference Shares would convert into Class A Equity Shares based on the formula prescribed in shareholders agreement, subject to a maximum of 50,000 Class A Equity Shares</p> |
| Class G | <p>The Class G Preference Shares shall carry no voting rights</p> <p>The Class G Preference Shares shall collectively (unless converted earlier into Class A Equity Shares) be compulsorily converted to an aggregate of 2 (Two) Class A Equity Shares, upon the tenth anniversary of Completion</p> <p>at any time (but within the Class G Preference Shares Conversion Date) in which case all the Class G Preference Shares shall collectively convert to an aggregate of 2 Class A Equity Shares</p> <p>on the occurrence of a Liquidity Event, in which case all the Class G Preference Shares shall collectively convert to an aggregate of 2 Class A Equity Shares.</p> <p>on the occurrence of a Dilutive Issuance, in which case the Class G Preference Shares would convert into Class A Equity Shares based on the formula prescribed in shareholders agreement, subject to a maximum of 5,445 Class A Equity Shares</p> |
| Class H | <p>The Class H Preference Shares shall carry no voting rights</p> <p>The Class H Preference Shares shall collectively (unless converted earlier into Class A Equity Shares) be compulsorily converted to an aggregate of 2 (Two) Class A Equity Shares, upon the tenth anniversary of Completion</p> <p>at any time (but within the Class H Preference Shares Conversion Date) in which case all the Class H Preference Shares shall collectively convert to an aggregate of 2 Class A Equity Shares</p> <p>on the occurrence of a Liquidity Event, in which case all the Class H Preference Shares shall collectively convert to an aggregate of 2 Class A Equity Shares.</p> <p>on the occurrence of a Dilutive Issuance, in which case the Class H Preference Shares would convert into Class A Equity Shares based on the formula prescribed in shareholders agreement, subject to a maximum of 28,094 Class A Equity Shares</p> |

Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of Financial Statements

Note 3

Share capital

| | |
|----------------|--|
| Class I | <p>The Class I Preference Shares shall carry no voting rights</p> <p>The Class I Preference Shares shall collectively (unless converted earlier into Class A Equity Shares) be compulsorily converted to an aggregate of 2 (Two) Class A Equity Shares, upon the tenth anniversary of Completion</p> <p>at any time (but within the Class I Preference Shares Conversion Date) in which case all the Class I Preference Shares shall collectively convert to an aggregate of 2 Class A Equity Shares</p> <p>on the occurrence of a Liquidity Event, in which case all the Class I Preference Shares shall collectively convert to an aggregate of 2 Class A Equity Shares.</p> <p>on the occurrence of a Dilutive Issuance, in which case the Class I Preference Shares would convert into Class A Equity Shares based on the formula prescribed in shareholders agreement, subject to a maximum of 20,421 Class A Equity Shares</p> |
| Class J | <p>The Class J Preference Shares shall carry no voting rights</p> <p>The Class J Preference Shares shall collectively (unless converted earlier into Class A Equity Shares) be compulsorily converted to an aggregate of 100 (One Hundred) Class A Equity Shares, upon the tenth anniversary of Completion</p> <p>at any time (but within the Class J Preference Shares Conversion Date) in which case all the Class J Preference Shares shall collectively convert to an aggregate of 100 Class A Equity Shares</p> <p>on the occurrence of a Liquidity Event, in which case all the Class J Preference Shares shall collectively convert to an aggregate of 100 Class A Equity Shares.</p> <p>on the occurrence of a Dilutive Issuance, in which case the Class J Preference Shares would convert into Class A Equity Shares based on the formula prescribed in shareholders agreement, subject to a maximum of 40,000 Class A Equity Shares</p> |
| Class K | <p>The Class K Preference Shares shall carry no voting rights</p> <p>The ClassK Preference Shares shall collectively (unless converted earlier into Class A Equity Shares) be compulsorily converted to an aggregate of 2 (Two) Class A Equity Shares, upon the tenth anniversary of Completion</p> <p>at any time (but within the Class K Preference Shares Conversion Date) in which case all the Class K Preference Shares shall collectively convert to an aggregate of 2 Class A Equity Shares</p> <p>on the occurrence of a Liquidity Event, in which case all the Class K Preference Shares shall collectively convert to an aggregate of 2 Class A Equity Shares.</p> <p>on the occurrence of a Dilutive Issuance, in which case the Class K Preference Shares would convert into Class A Equity Shares based on the formula prescribed in shareholders agreement, subject to a maximum of 97,901 Class A Equity Shares</p> |



Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of Financial Statements

Note 4

Reserves and surplus

| Particulars | Rupees | |
|--|------------------------|------------------------|
| | As at 31 March 2016 | As at 31 March 2015 |
| Securities premium account | | |
| Opening balance | 8,221,321,014 | 3,960,642,089 |
| Add: Additions during the year | 1,177,853,180 | 4,270,983,320 |
| Less: Utilised for adjustment of share issue expenses during the year ** | - | (10,304,395) |
| Closing balance | 9,399,174,194 | 8,221,321,014 |
| Statutory reserve* | | |
| Opening balance | 290,644,598 | 139,822,753 |
| Add: Transfer from Statement of Profit and Loss | 320,577,595 | 150,821,845 |
| Closing balance | 611,222,193 | 290,644,598 |
| General reserve | | |
| Opening balance | 144,100,518 | 68,689,596 |
| Add: Transfer from Statement of Profit and Loss | - | 75,410,922 |
| Closing balance | 144,100,518 | 144,100,518 |
| Excess/(Deficit) in Statement of Profit and Loss | | |
| Opening balance | 823,893,157 | 334,861,856 |
| Add: Profit during the year | 1,602,887,977 | 754,109,224 |
| Less: Transfer to Statutory Reserve * | (320,577,595) | (150,821,845) |
| Less: Dividend to Preference Share holders | (1,210) | (840) |
| Less: Dividend proposed to be distributed to equity shareholders - Rs.10/- per share (31 March 2015: Rs. 7.5/- per share) | (43,162,400) | (32,371,710) |
| Less: Dividend distribution tax | (8,787,096) | (6,472,606) |
| Less: Transfer to General Reserve | - | (75,410,922) |
| Closing balance | 2,054,252,833 | 823,893,157 |
| Total | 12,208,749,738 | 9,479,959,287 |

* The company has transferred 20% of the profit after tax to statutory reserves in accordance with the provisions of section 45IC Reserve Bank of India, 1934.

** Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013.

During the year in accordance with the Share subscription agreement, 117,785,330 number of 0.0001% Compulsorily Convertible Preference Shares of Rs. 10/- each was converted into 12 Equity Shares of Rs.10/- at a premium of Rs.3,990/- per share . Consequently, the balance of Rs 1,177,805,300/- has been transferred from Preference share capital to Share premium account.



Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of Financial Statements

Note 5

Long term borrowings

| Particulars | Rupees | |
|---|------------------------|------------------------|
| | As at 31 March 2016 | As at 31 March 2015 |
| (a) Non-convertible debentures | | |
| Secured | | |
| Nil (31 March 2015: 30 Nos, 14.50%) Non Convertible Debentures of Rs. 10,000,000/- each redeemable at par during December 2016 or on exercise of Put Option at the exercise date (December, 2014) by the debenture trustee on behalf of debenture holders or on exercise of Call Option at the exercise date by the Company. | | 300,000,000 |
| Nil (31 March 2015: 125 Nos, 13.50%) Non Convertible Debentures of Rs. 10,000,000/- each redeemable at par during February 2018 or on exercise of Put Option at the exercise date (August, 2016) by the debenture trustee on behalf of debenture holders. | | 1,250,000,000 |
| Nil (31 March 2015: 1000 Nos, 13.50%) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during February 2018 or on exercise of Put Option at the exercise date (August, 2016) by the debenture trustee on behalf of debenture holders. | | 1,000,000,000 |
| Nil (31 March 2015: 250 Nos, 12.87%) Non Convertible Debentures of Rs. 1,000,000 each redeemable in 7 quarterly installements of Rs. 35,714,286 by March 2017 | | 142,857,144 |
| 65 Nos, 14.40% (31 March 2015: Nil) Non Convertible Debentures of Rs. 10,000,000/- each redeemable at par during May 2019 or on exercise of Put Option at the exercise date (May, 2017) by the debenture trustee on behalf of debenture holders or on exercise of Call Option at the exercise date by the Company. | 650,000,000 | |
| 50 Nos, 13.53% (31 March 2015: 50 Nos, 13.53%) Non Convertible Debentures of Rs. 10,000,000/- each redeemable at par during July 2020 or on exercise of Put Option at the exercise date (July, 2017) by the debenture trustee on behalf of debenture holders or on exercise of Call Option at the exercise date by the Company. | 500,000,000 | 500,000,000 |
| 120 Nos, 13.32% (31 March 2015: 120 Nos, 13.32%) Non Convertible Debentures of Rs. 10,000,000 each redeemable at par after 4 years from issue date in 3 equal semi annual installments by September 2019 | 1,200,000,000 | 1,200,000,000 |
| 200 Nos, 13.60% (31 March 2015: 200 Nos, 13.60%) Non Convertible Debentures of Rs. 10,000,000 each redeemable at par after 3 years from issue date in 5 equal quarterly installments by January 2019 | 2,000,000,000 | 2,000,000,000 |
| 3000 Nos, 13.07% (31 March 2015: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during May 2018 or on exercise of Put Option at the exercise date (May, 2017) by the debenture trustee on behalf of debenture holders. | 3,000,000,000 | |
| 76 Nos, 12.85% (31 March 2015: Nil) Non Convertible Debentures of Rs. 10,000,000/- each redeemable at par during July 2021 or on exercise of Put Option at the exercise date (July, 2018) by the debenture trustee on behalf of debenture holders or on exercise of Call Option at the exercise date by the Company. | 760,000,000 | |

Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)

Notes forming part of Financial Statements

| | | |
|--|---------------|---|
| 500 Nos, 12.75% (31 March 2015: Nil) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in July 2017 | 500,000,000 | - |
| 500 Nos, 12.85% (31 March 2015: Nil) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in July 2018 | 500,000,000 | - |
| 500 Nos, 13.10% (31 March 2015: Nil) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in July 2019 | 500,000,000 | - |
| 50 Nos, 12.85% (31 March 2015: Nil) Non Convertible Debentures of Rs. 10,000,000 each redeemable at par in June 2018 | 500,000,000 | - |
| 50 Nos, 12.85% (31 March 2015: Nil) Non Convertible Debentures of Rs. 10,000,000 each redeemable at par in June 2018 | 500,000,000 | - |
| 1000 Nos, 12.75% (31 March 2015: Nil) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in July 2017 | 1,000,000,000 | - |
| 500 Nos, 12.85% (31 March 2015: Nil) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in July 2018 | 500,000,000 | - |
| 1000 Nos, 12.50% (31 March 2015: Nil) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in August 2018 | 1,000,000,000 | - |
| 250 Nos, 12.85% (31 March 2015: Nil) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in August 2018 | 250,000,000 | - |
| 98 Nos, 12.0132% (31 March 2015: Nil) Non Convertible Debentures of Rs. 10,000,000/- each redeemable at par during September 2021 or on exercise of Put Option at the exercise date (September, 2018) by the debenture trustee on behalf of debenture holders or on exercise of Call Option at the exercise date by the Company. | 980,000,000 | - |
| 2500 Nos, 12% (31 March 2015: Nil) Non Convertible Debentures of Rs. 1,000,000 each redeemable in 3 half yearly installments of Rs.833,333,333 by Dec-17, Sep-18 and Dec-18 | 2,500,000,000 | - |
| 1000 Nos, 12.65% (31 March 2015: Nil) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in April 2019 | 1,000,000,000 | - |
| 1000 Nos, 12.65% (31 March 2015: Nil) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in March 2019 | 1,000,000,000 | - |
| Secured by: (Secured by first and exclusive charge on receivables) | | |



Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)

Notes forming part of Financial Statements

| | | |
|--|-----------------------|-----------------------|
| Unsecured (Includes subordinate debt of Rs.4,760,000,000) | | |
| 500 Nos, 12.4296% (31 March 2015: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during August 2018 or on exercise of Put Option at the exercise date (August, 2017) by the debenture trustee on behalf of debenture holders. | 500,000,000 | - |
| 750 Nos, 13.10% (31 March 2015: Nil) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in 8 quarterly installments by August 2017 | 187,500,000 | - |
| 3300 Nos, 13.80% (31 March 2015: Nil) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in December 2022 | 3,300,000,000 | - |
| 400 Nos, 14% (31 March 2015: Nil) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in June 2021 | 400,000,000 | - |
| 800 Nos, 14.2% (31 March 2015: Nil) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in May 2023 | 800,000,000 | - |
| 260 Nos, 13.35% (31 March 2015: Nil) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in May 2022 | 260,000,000 | - |
| (b) Compulsorily Convertible Debentures (Unsecured) | | |
| Nil (31 March 2015: 15,975,780 Nos) Convertible to 32,090 Class A Equity shares at the earlier of expiry of 18 months post completion (10 November 2014) or the occurrence of a liquidity event. | - | 159,757,800 |
| (c) Term loans (refer Note below) | | |
| i) From banks | | |
| Secured | 23,287,199,832 | 9,805,965,037 |
| Note: | | |
| Loans availed from Banks and Others are secured by exclusive charge on receivables arising out of loans disbursed and cash margin of Rs. 545,875,000/- (31 March 2015: Rs. 787,389,897/-) | | |
| ii) From others | | |
| Secured (Includes refinance loan of Rs.2,228,858,339) | 6,745,457,286 | 2,330,777,095 |
| Unsecured (Includes subordinate debt of Rs.1,250,000,000) | 1,250,000,000 | - |
| Total | 55,570,157,118 | 18,689,357,076 |



Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes Annexed to and Forming Part of the Balance Sheet

Note 5

Long Term Borrowings

Terms of Repayment - Term Loans

As at 31 March 2016

| Terms of Repayment and Interest | | | Amount Outstanding (Rs.) | |
|--|-----------|--------------|--------------------------|---------------|
| Rate of Interest | Maturity | Installments | Current | Non Current |
| Borrowings From Banks | | | | |
| Repayable in Monthly Installments | | | | |
| Base Rate + (0.5% - 2%) | < 1 year | 182 | 5,529,250,836 | |
| | 1-2 years | 146 | | 4,856,351,080 |
| | 2-3 years | 66 | | 1,768,769,700 |
| Base Rate + (2% - 3%) | < 1 year | 348 | 10,240,428,243 | |
| | 1-2 years | 230 | | 6,318,456,428 |
| | 2-3 years | 39 | | 1,060,001,323 |
| Base Rate +(3% - 4%) | < 1 year | 106 | 1,236,880,166 | |
| | 1-2 years | 24 | | 147,363,725 |
| | 2-3 years | 2 | | 8,333,333 |
| Fixed | < 1 year | 116 | 3,314,226,533 | |
| | 1-2 years | 49 | | 1,312,900,426 |
| | 2-3 years | 11 | | 135,454,548 |

| | | | | |
|--|-----------|----|---------------|---------------|
| Repayable in Quarterly Installments | | | | |
| Base Rate + (0.5% - 2%) | < 1 year | 45 | 3,316,378,839 | |
| | 1-2 years | 36 | | 1,967,164,501 |
| | 2-3 years | 19 | | 765,833,336 |
| | 3-4 years | 5 | | 137,500,000 |
| Base Rate + (2% - 3%) | < 1 year | 49 | 2,853,918,862 | |
| | 1-2 years | 26 | | 1,701,004,759 |
| | 2-3 years | 8 | | 433,466,672 |
| | 3-4 years | 3 | | 199,600,000 |
| Base Rate +(3% - 4%) | < 1 year | 8 | 163,078,292 | |
| | 1-2 years | 3 | | 70,000,000 |
| Fixed | < 1 year | 20 | 3,705,000,000 | |
| | 1-2 years | 11 | | 1,500,000,000 |

| | | | | |
|---|-----------|---|-------------|-------------|
| Repayable in Annual Installments | | | | |
| Base Rate + (0.5% - 2%) | < 1 year | 1 | 125,000,000 | |
| | 1-2 years | 1 | | 125,000,000 |

| | | | | |
|----------------------------|-----------|---|-----------------------|-----------------------|
| Repayable in Bullet | | | | |
| Fixed | < 1 year | 6 | 1,122,500,000 | |
| | 1-2 years | 1 | | 600,000,000 |
| | 2-3 years | 1 | | 180,000,000 |
| Total | | | 31,606,661,771 | 23,287,199,831 |

Borrowings from Others

| | | | | |
|--|-----------|----|---------------|---------------|
| Repayable in Monthly Installments | | | | |
| Base Rate +(4% - 7%) | < 1 year | 45 | 245,824,456 | |
| | 1-2 years | 28 | | 146,001,000 |
| | 2-3 years | 10 | | 41,665,800 |
| Fixed | < 1 year | 92 | 1,960,824,334 | |
| | 1-2 years | 66 | | 1,506,830,020 |
| | 2-3 years | 23 | | 747,002,127 |

| | | | | |
|--|-----------|----|-------------|-------------|
| Repayable in Quarterly Installments | | | | |
| Fixed | < 1 year | 15 | 440,694,208 | |
| | 1-2 years | 3 | | 250,000,000 |
| | 3-4 years | 5 | | 458,262,500 |
| | 4-5 years | 8 | | 629,850,000 |
| | > 5 years | 3 | | 236,987,500 |

| | | | | |
|----------------------------|-----------|---|----------------------|----------------------|
| Repayable in Bullet | | | | |
| Fixed | 2-3 years | 1 | | 500,000,000 |
| | > 5 years | 2 | | 1,250,000,000 |
| Total | | | 2,647,342,998 | 5,766,598,947 |

Refinance

| Repayable in Monthly Instalments | | | | |
|----------------------------------|-----------|----|-------------|-------------|
| Fixed | < 1 year | 9 | 254,475,000 | |
| | 1-2 years | 12 | | 339,300,000 |
| | 2-3 years | 2 | | 56,225,000 |

| Repayable in Bi-annual Instalments | | | | |
|------------------------------------|-----------|---|----------------|----------------|
| Fixed | < 1 year | 6 | 1,166,666,661 | |
| | 1-2 years | 6 | | 1,166,666,663 |
| | 2-3 years | 4 | | 666,666,677 |
| Total | | | 1,421,141,661 | 2,228,858,340 |
| Grand Total | | | 35,675,146,430 | 31,282,657,118 |

As at 31 March 2015

| Terms of Repayment and Interest | | | Amount Outstanding (Rs.) | |
|--|-----------|--------------|--------------------------|----------------|
| Rate of Interest | Maturity | Installments | Current | Non Current |
| Borrowings From Banks | | | | |
| Repayable in Monthly Installments | | | | |
| Base Rate + (0.5% - 2%) | < 1 year | 47 | 605,687,677 | |
| | 1-2 Years | 42 | | 534,459,135 |
| | 2-3 Years | 2 | | 16,666,667 |
| Base Rate + (2% - 3%) | < 1 year | 321 | 4,994,872,355 | |
| | 1-2 Years | 227 | | 3,414,823,747 |
| | 2-3 Years | 90 | | 764,677,006 |
| Base Rate+(3%-4%) | < 1 year | 258 | 3,390,309,287 | |
| | 1-2 Years | 118 | | 1,173,316,997 |
| | 2-3 Years | 36 | | 147,386,437 |
| | 3-4 Years | 4 | | 8,333,333 |
| Fixed | < 1 year | 106 | 1,862,527,785 | |
| | 1-2 Years | 53 | | 500,833,332 |
| | 2-3 Years | 3 | | 25,000,000 |
| Repayable in Quarterly Installments | | | | |
| Base Rate + (0.5% - 2%) | < 1 year | 10 | 340,909,091 | |
| | 1-2 Years | 10 | | 383,116,883 |
| | 2-3 Years | 4 | | 54,545,455 |
| Base Rate + (2% - 3%) | < 1 year | 36 | 1,284,703,030 | |
| | 1-2 Years | 37 | | 1,372,560,603 |
| | 2-3 Years | 19 | | 755,694,788 |
| Base Rate +(3% - 4%) | < 1 year | 26 | 519,057,060 | |
| | 1-2 Years | 16 | | 355,857,018 |
| | 2-3 Years | 7 | | 153,600,000 |
| | 3-4 Years | 1 | | 20,093,635 |
| Fixed | < 1 year | 14 | 997,500,000 | |
| | 1-2 Years | 4 | | 125,000,000 |
| Repayable in Bullet | | | | |
| Fixed | < 1 year | 5 | 950,000,000 | |
| Total | | | 14,945,566,285 | 9,805,965,036 |
| Borrowings from Others | | | | |
| Repayable in Monthly Installments | | | | |
| BR + 3.30% | < 1 year | 24 | 467,596,600 | |
| | 1-2 Years | 24 | | 532,403,401 |
| Fixed | < 1 year | 154 | 2,344,931,486 | |
| | 1-2 Years | 69 | | 958,878,530 |
| | 2-3 Years | 19 | | 314,578,386 |
| Repayable in Quarterly Installments | | | | |
| Fixed | < 1 year | 10 | 56,666,668 | |
| | 1-2 Years | 7 | | 191,583,446 |
| | 2-3 Years | 4 | | 333,333,332 |
| Total | | | 2,869,194,754 | 2,330,777,095 |
| Grand Total | | | 17,814,761,039 | 12,136,742,131 |

Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of Financial Statements

Note 6

Long - term provisions

| Particulars | Rupees | |
|---|------------------------|------------------------|
| | As at 31 March 2016 | As at 31 March 2015 |
| (a) Provision for employee benefits (Refer Note 33 b) Provision for compensated absence | 92,652,137 | 34,829,662 |
| (b) Provision on Portfolio (Refer Note 44) - Standard assets | 409,101,706 | 80,852,898 |
| Total | 501,753,843 | 115,682,560 |

Note 7

Short - term Borrowings

| Particulars | Rupees | |
|---|--------------------------|--------------------------------|
| | As at 31 March 2016 | As at 31 March 2015 |
| (a) Loans repayable on demand Secured From banks (Overdraft Balances) | 1,132,913,110 | 148,935,200.64 |
| Secured by: Loans availed are secured by exclusive charge on receivables arising out of loans disbursed and cash margin. | | |
| (b) Loans and advances from related parties (unsecured) (Refer Note 35) Persons with significant influence Relative of Persons with significant influence Terms of repayment : Payable on demand (Rate of interest : 12%) | 17,500,000 21,500,000 | 17,500,000.00 21,500,000.00 |
| (c) Commercial Paper (unsecured) (Terms of repayment : Rs.750,000,000, 364 days @ 10.90%) (Terms of repayment : Rs.110,000,000, 364 days @ 10.25%) | 860,000,000 | |
| Total | 2,031,913,110 | 187,935,200.64 |

Note 8

Trade Payables

| Particulars | Rupees | |
|--|------------------------|------------------------|
| | As at 31 March 2016 | As at 31 March 2015 |
| Other than acceptances Total Outstanding Dues of Micro Enterprises and Small Enterprises Total Outstanding Dues of Creditors other than Micro Enterprises and Small enterprises (Refer Note 25) | - 869,120,942 | - 257,008,918 |
| Total | 869,120,942 | 257,008,918 |

Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of Financial Statements

Note 9

Other current liabilities

| Particulars | As at 31 March 2016 | Rupees As at 31 March 2015 |
|--|--------------------------|----------------------------------|
| Current maturities of long-term debt | | |
| (a) Non-convertible debentures | | |
| Secured (Refer Note 5) | | |
| Nil (31 March 2015: 27 Nos, 14.45%) Non Convertible Debentures of Rs. 10,000,000/- each redeemable at par during December 2017 or on exercise of Put Option at the exercise date (December, 2015) by the debenture trustee on behalf of debenture holders or on exercise of Call Option at the exercise date by the Company. | | 270,000,000 |
| Nil (31 March 2015: 50 Nos, 14.00%) Non Convertible Debentures of Rs. 10,000,000 each redeemable at par in December 2015 | | 250,000,000 |
| 30 Nos, 13.50% (31 March 2015: Nil) Non Convertible Debentures of Rs. 10,000,000/- each redeemable at par during December 2016 or on exercise of Put Option at the exercise date (December, 2014) by the debenture trustee on behalf of debenture holders or on exercise of Call Option at the exercise date by the Company. | 300,000,000 | - |
| 125 Nos, 13.50% (31 March 2015: Nil) Non Convertible Debentures of Rs. 10,000,000/- each redeemable at par during February 2018 or on exercise of Put Option at the exercise date (August, 2016) by the debenture trustee on behalf of debenture holders. | 1,250,000,000 | - |
| 1000 Nos, 13.50% (31 March 2015: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during February 2018 or on exercise of Put Option at the exercise date (August, 2016) by the debenture trustee on behalf of debenture holders. | 1,000,000,000 | - |
| 250 Nos, 12.87% (31 March 2015: 250 Nos, 12.87%) Non Convertible Debentures of Rs. 1,000,000 each redeemable in 7 quarterly installements of Rs. 35,714,286 by March 2017 | 142,857,142 | 107,142,856 |
| Nil (31 March 2015: 65 Nos, 14.40%) Non Convertible Debentures of Rs. 10,000,000/- each redeemable at par during May 2019 or on exercise of Put Option at the exercise date (May, 2017) by the debenture trustee on behalf of debenture holders or on exercise of Call Option at the exercise date by the Company. | | 650,000,000 |
| Unsecured | | |
| 750 Nos, 13.10% (31 March 2015: Nil) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in 8 quarterly installments by August 2017 | 375,000,000 | - |
| (b) Compulsorily Convertible Debentures (Unsecured) | | |
| 15,975,780 Nos (Convertible to 32,090 Class A Equity shares at the earlier of expiry of 18 months post completion (10 November 2014) or the occurrence of a liquidity event. | 159,757,800 | - |
| (c) Term loan | | |
| i) From banks | | |
| Secured | 31,606,661,771 | 14,846,566,285 |
| ii) From others | | |
| Secured (Includes refinance loan of Rs.1,421,141,661) | 3,902,774,792 | 2,869,194,754 |
| Unsecured | 165,709,867 | 99,000,000 |
| Total | 38,902,761,371.59 | 19,091,903,895 |

Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of Financial Statements

| | | |
|--|-----------------------|--------------------------|
| (d) Interest accrued but not due on borrowings | 1,155,818,191 | 214,156,775 |
| (e) Other payables | | |
| Statutory payments | 95,715,646 | 31,873,892 |
| Grant (Refer Note 32) | 3,815,150 | 2,270,659 |
| Amount payable to trust/investors in respect of collections from managed portfolio | 1,788,793,265 | 194,381,577 |
| Payable towards micro pension and insurance | 353,920,667 | 115,681,369 |
| Gratuity Payable (Refer Note 33) | 6,947,031 | 3,454,277 |
| Unamortised Gain on Securitisation (Refer Note 41) | - | 5,093,051 |
| Others | 43,108,757 | 12,779,870 |
| TOTAL | 42,350,880,079 | 19,671,595,365.00 |

Note 10

Short - term provisions

| Particulars | Rupees | |
|--|------------------------|------------------------|
| | As at 31 March 2016 | As at 31 March 2015 |
| (a) Provision for employee benefits (Current portion of Employee Benefits) (Refer Note 33) | | |
| Provision for compensated absence | 23,699,831 | 11,111,121 |
| (b) Provision on Portfolio (Refer Note 44) | | |
| Provision in respect of standard assets | 456,071,065 | 207,112,433 |
| Provision for non performing assets | 62,605,912 | 89,556,276 |
| (c) Others | | |
| Provision for taxes (net of advance tax and TDS - Rs. 353,730,091/- (31 March 2015: Rs. 352,860,501/-) | 7,066,466 | 7,936,056 |
| Provision for proposed dividend | 43,163,610 | 32,372,550 |
| Provision for tax on proposed dividend | 8,787,096 | 6,472,606 |
| Total | 601,393,980 | 354,561,042 |



Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of Financial Statements

Note 11

Tangible assets

| Particulars | Gross Block | | | Depreciation | | | Net Block | | Rupees |
|---------------------------------|-------------------------|--------------------|-------------------|------------------------|-----------------------|--------------|--------------------|-------------------|--------------------|
| | As on 1st April 2015 | Additions | Deletions | As on 31 March 2016 | Upto 31 March 2015 | Adjustment | For the year | On deletions | |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Electrical installation* | 32,514,467 | - | 16,557,997 | 15,956,470 | 9,312,676 | | 16,688,637 | 15,462,632 | 23,201,791 |
| Computers including servers etc | 431,512,555 | 284,058,305 | 57,645,093 | 657,925,767 | 144,735,141 | | 161,712,735 | 39,555,386 | 286,777,414 |
| Furniture & fittings* | 70,738,676 | 110,186,502 | 6,845,966 | 174,079,212 | 10,052,508 | | 14,061,802 | 1,454,385 | 60,686,168 |
| Office equipments | 82,931,213 | 53,858,039 | 2,944,600 | 133,844,652 | 25,556,389 | | 15,878,251 | 1,749,202 | 57,374,824 |
| Leasehold improvements* | 182,260,202 | 117,315,147 | - | 299,575,349 | 77,035,088 | | 74,635,256 | - | 105,225,114 |
| Total | 799,957,113 | 565,417,993 | 83,993,656 | 1,281,381,450 | 266,691,802 | - | 282,976,681 | 58,221,605 | 533,265,311 |
| Previous year | (432,988,421) | (367,234,017) | (265,325) | (799,957,113) | (143,887,094) | (13,504,934) | (136,397,357) | (87,716) | (533,265,311) |

Note: Figures in brackets represents previous years numbers.

* Includes a portion of assets given on operating lease.

Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of Financial Statements

Note 12
Intangible assets

| Particulars | Gross Block | | Amortisation | | Net Block | |
|------------------------------------|-------------------------|---------------|------------------------|-----------------------|-----------------------|------------------------|
| | As on 1st April 2015 | Additions | As on 31 March 2016 | Upto 31 March 2015 | Upto 31 March 2016 | As on 31 March 2016 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Internally Generated | | | | | | |
| Marketing and distribution network | 11,150,000 | - | 11,150,000 | - | 11,150,000 | - |
| Others | | | | | | |
| Computer Software | 150,960,569 | 254,463,593 | 405,424,162 | 43,579,338 | 70,468,800 | 291,376,024 |
| Total | 162,110,569 | 254,463,593 | 416,574,162 | 54,729,338 | 125,198,138 | 291,376,024 |
| Previous year | (50,312,722) | (111,797,847) | (162,110,569) | (29,029,193) | (54,729,338) | (107,381,231) |

Note: Figures in brackets represents previous years numbers.

Depreciation and amortisation:

| Particulars | Rupees | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended 31 March, 2016 | For the year ended 31 March, 2015 |
| Depreciation and amortisation for the year as per Note 11 and 12 | 353,445,481 | 162,097,504 |

Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of Financial Statements

Note 13

Non-current investments

Non-trade investments valued at cost

| | Rupees | |
|---|------------------------|------------------------|
| Particulars | As at 31 March 2016 | As at 31 March 2015 |
| Non-current investments in other entities | | |
| 100,000 (31 March 2015: 100,000) Equity Shares of Rs 10 each fully paid-up in Alpha Micro Finance Consultants Pvt. Ltd. | 1,000,000 | 1,000,000 |
| Aggregate amount of unquoted investments | 1,000,000 | 1,000,000 |

Note 14

Long-term loans and advances

| | Rupees | |
|---|------------------------|------------------------|
| Particulars | As at 31 March 2016 | As at 31 March 2015 |
| a. Capital advances | | |
| Unsecured, considered good | 27,001,635 | 34,338,656 |
| Sub-Total | 27,001,635 | 34,338,656 |
| b. Other loans and advances (Unsecured considered good unless otherwise stated) | | |
| Loans for financial assistance (Refer Note 41 to 46) | | |
| Secured considered good | 50,931,697 | 60,670,256 |
| Unsecured, considered good | 42,844,418,113 | 10,207,380,436 |
| Employee loans | 5,910,044 | 7,266,258 |
| Advance tax (net of provision for tax Rs. 1,406,958,089/- (31 March 2015: Rs. 372,386,500/-)) | 210,529,832 | 9,283,655 |
| Prepaid expenses | - | 3,421,001 |
| Deposits | | |
| Deposits towards Rent | 408,033,241 | 109,727,468 |
| Others | 2,041,000 | 2,030,000 |
| Sub-Total | 43,521,863,927 | 10,399,779,074 |
| Total | 43,548,865,562 | 10,434,117,730 |

Note 15

Other non-current assets

| | Rupees | |
|--|------------------------|------------------------|
| Particulars | As at 31 March 2016 | As at 31 March 2015 |
| Balances with banks | | |
| In Deposit account (represents margin money) | 1,291,189,377 | 841,427,206 |
| Interest accrued on fixed deposits | 39,688,643 | 40,123,915 |
| Unamortised expenses (Refer Note 29) | 232,281,725 | 145,772,305 |
| Forward Contract asset | 65,400,000 | - |
| Total | 1,628,559,745 | 1,027,323,426 |

Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of Financial Statements

Note 16

Cash and cash equivalents

| Particulars | Rupees | |
|---|------------------------|------------------------|
| | As at 31 March 2016 | As at 31 March 2015 |
| a) Cash on hand | 183,531,034 | 49,684,323 |
| b) Balances with banks | | |
| In Current account | 5,467,483,407 | 1,401,046,048 |
| In Deposit account (represents margin money of Rs. 1,062,754,613/-* (31 March 2015: Rs. 811,087,370/-) | 13,092,754,613 | 9,360,087,370 |
| Total | 18,743,769,054 | 10,810,817,741 |
| Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is | 17,681,014,441 | 9,999,730,370.39 |
| *Balances with banks include margin monies amounting to Rs. 689,728,340/- (As at 31 March, 2015: Rs. 691,087,370/-) which have an original maturity of more than 12 months. | | |

Note 17

Short - term loans and advances

| Particulars | Rupees | |
|---|------------------------|------------------------|
| | As at 31 March 2016 | As at 31 March 2015 |
| a) Balances with government authorities | | |
| Unsecured, considered good | | |
| Service Tax Credit Receivable | 2,999,651 | 4,048,555 |
| Sub-Total | 2,999,651 | 4,048,555 |
| b. Others (Unsecured considered good) | | |
| Employee loans | 20,243,005 | 14,560,843 |
| Prepaid expenses | 66,998,279 | 27,084,001 |
| Receivable from related party (Refer Note 35) | - | 293,820 |
| Deposits | 2,980,359 | 1,068,704 |
| Advance to vendors | 46,561,013 | 87,780,191 |
| Sub-Total | 136,782,656 | 130,787,559 |
| Total | 139,782,307 | 134,836,114 |



Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of Financial Statements

Note 18

Other current assets

| | Rupees | |
|--|------------------------|--------------------------|
| Particulars | As at 31 March 2016 | As at 31 March 2015 |
| Loans for financial assistance (Refer Note 41 to 46) | | |
| Financial assistance to small batch, individuals and others (financial assistance instalment due other than considered doubtful Rs.66,537,425/-) (31 March 2015: Rs. 30,519,581/-) | | |
| Secured considered good | 3,779,284 | 4,258,344.00 |
| Unsecured considered good (includes Rs. 1,387,196,817/- (31 March 2015: Rs. 28,759,266/-) towards collateral for assignment of receivables) | 47,636,289,517 | 26,031,979,337.88 |
| Considered doubtful | 180,137,266 | 266,356,370.04 |
| Sub-total (a) | 47,820,206,067 | 26,302,594,051.92 |
| Interest accrued on fixed deposits | 108,083,345 | 96,964,138.00 |
| Interest accrued on loans for financial assistance | 256,457,360 | 103,144,508.38 |
| Unamortised expenses (Refer Note 29) | 236,746,782 | 146,195,226.00 |
| Discount on Commercial Paper | 77,272,586 | - |
| Fee based income receivable | 117,454,742 | 62,021,233.10 |
| Others | 40,351,770 | 1,931,749.10 |
| Insurance claim receivable | 18,339,422 | 5,889,466.00 |
| Less: Provision | (18,339,422) | - |
| Sub-total | 836,366,586 | 416,146,320.58 |
| Total | 48,656,572,653 | 26,718,740,372.50 |



Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of Financial Statements

Note 19

Revenue from operations

| Particulars | Rupees | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2016 | For the year ended 31 March 2015 |
| a) Interest income from financial assistance | 15,052,378,196 | 6,402,279,646 |
| b) Other financial services Processing charges | 1,253,821,555 | 477,590,928 |
| Total | 16,306,199,751 | 6,879,870,574 |

Note 20

Other income

| Particulars | Rupees | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2016 | For the year ended 31 March 2015 |
| Interest from banks | 435,259,028 | 236,331,564 |
| Dividend income from investments in mutual fund | 137,898,688 | 121,426,387 |
| Other non operating income | | |
| Interest received from related parties (Refer Note 35) | 57,596 | 3,166,285 |
| Fee based income | 856,249,007 | 286,913,138 |
| Rent income from operating leases (Refer Note 36) | 1,935,141 | 1,811,026 |
| Foreign Exchange Gain | 22,715 | - |
| Profit on sale of fixed assets | - | 79,201 |
| Miscellaneous income | 107,824,970 | 40,458,155 |
| Total | 1,539,247,145 | 690,185,756 |



Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of Financial Statements

Note 21

Finance costs

| | Rupees | |
|--------------------------------|-------------------------------------|-------------------------------------|
| Particulars | For the year ended 31 March 2016 | For the year ended 31 March 2015 |
| Interest expense on borrowings | 7,320,055,235 | 3,090,336,873 |
| Other borrowing costs | 230,938,494 | 134,882,321 |
| Total | 7,550,993,729 | 3,225,219,194 |

Note 22

Employee salary and benefits

| | Rupees | |
|--|-------------------------------------|-------------------------------------|
| Particulars | For the year ended 31 March 2016 | For the year ended 31 March 2015 |
| Salaries and allowance | 2,585,433,873.00 | 1,137,915,770.00 |
| Contribution to provident fund and other funds | 127,600,470.00 | 67,329,191.00 |
| Staff welfare | 41,843,510.49 | 24,929,030.50 |
| Total | 2,754,877,853.49 | 1,230,173,991.50 |

Note 23

Other expenses

| | Rupees | |
|--|-------------------------------------|-------------------------------------|
| Particulars | For the year ended 31 March 2016 | For the year ended 31 March 2015 |
| Business process outsourcing expenses | 617,439,355 | 171,759,915 |
| Legal and professional fees (refer Note 1 below) | 528,347,524 | 173,505,468 |
| Technology expenses | 552,357,815 | 167,621,910 |
| Travelling and conveyance | 325,091,273 | 188,884,161 |
| Business Correspondent Expenses | 315,450,693 | 113,783,895 |
| Rent (Refer Note 36) | 234,079,864 | 112,670,457 |
| Service tax expenses | 199,189,468 | 76,395,307 |
| House keeping and Security expenses | 167,711,844 | 82,150,151 |
| Expenses Towards Management Services | 130,349,000 | 39,037,860 |
| Cash management service charges | 117,635,319 | 53,829,962 |
| Miscellaneous expenses | 93,622,466 | 22,159,356 |
| Postage, telephone & courier charges | 93,497,387 | 86,511,924 |
| Printing and stationery | 87,382,797 | 40,921,208 |
| Data Entry Charges | 67,377,964 | 53,470,323 |
| Rates & taxes | 51,812,720 | 13,388,455 |
| Training expenses | 46,320,196 | 71,138,616 |
| Staff recruitment expenses | 45,265,881 | 30,143,593 |
| Repairs and maintenance | 38,625,495 | 25,597,245 |
| Electricity and water charges | 35,241,515 | 19,262,933 |
| Insurance | 31,294,300 | 20,985,624 |
| Agent commission | 31,123,656 | 33,930,703 |
| Loss on fixed assets | 24,684,765 | - |
| Corporate Social Responsibility expenses (Refer Note 40) | 12,250,786 | 4,658,820 |
| Brokerage | 3,967,440 | 6,510,051 |
| Sitting fees | 1,680,000 | 1,255,000 |
| Advertisement and business promotion expenses | 2,471,222 | 1,286,488 |
| Foreign exchange loss | - | 28,401 |
| Doubtful receivables written off | - | 7,082,500 |
| Total | 3,854,270,745 | 1,617,970,326 |

Note 24

Provision/write off for receivables under financing activity

| Particulars | For the year ended 31 March 2016 | For the year ended 31 March 2015 |
|---|-------------------------------------|-------------------------------------|
| Provision for non performing and other assets (Refer Note 44) | 550,257,076 | 169,410,414 |
| Bad debts written off (Refer Note 45) | 399,538,406 | 93,733,847 |
| | 949,795,482 | 263,144,261 |

Note 1:

| Particulars | For the year ended 31 March 2016 | For the year ended 31 March 2015 |
|---|-------------------------------------|-------------------------------------|
| Payments to the auditors comprises (net of service tax input credit, where applicable): | | |
| As auditors - statutory audit | 3,600,000 | 1,800,000 |
| For tax audit | 400,000 | 100,000 |
| For other services | 300,000 | 350,000 |
| Reimbursement of expenses | 58,014 | - |
| Total | 4,358,014 | 2,250,000 |

Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of the Financial Statements

Other Notes

Note 25

Dues to micro and small enterprises

There are no Micro, Small and Medium Enterprises to whom the company owes dues, which are outstanding for more than 45 Days at the balance sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditors.

Note 26

Derivative instruments

a. During the year the company has not entered into any unhedged derivative contract and therefore no disclosure pertaining to the same is applicable for the current year.

b. There were no unhedged foreign currency exposures as at 31 March 2016 (31 March 2015: Nil).

c. During the year Company has entered into Currency swaps to hedge against fluctuations in changes in exchange rate. Number of contracts: Two (As at 31 March, 2015: Nil)

Note 27

Contingent liabilities

Rupees

The contingent liabilities for taxes shown below represents the disputed tax liability before tax appellate authorities and the Company does not expect any material or adverse impact from such appeals.

| Particulars | 31 March 2016 | 31 March 2015 |
|-----------------------------------|---------------|---------------|
| A. Contingent Liabilities - Taxes | | |
| i. Income tax - AY 12-13 | 8,044,717 | 8,044,717 |
| ii. Income tax - AY 13-14 | 27,434,690 | - |
| B. Bank Guarantee | 7,500,000 | 7,500,000 |

Note 28

The Company signed a six-year technology outsourcing agreement in August 2014 with IBM. Remaining estimated amount on account of capital expenditure is Rs. 2,045,208,326 (31 March, 15 Rs. 2,411,589,443).

Note 29

Unamortised expenses represent ancillary costs incurred in connection with the arrangement of borrowings and is amortized on straight line basis over the tenure of respective borrowings.

Note 30

Expenditure in foreign currency

Rupees

| Particulars | 31 March 2016 | 31 March 2015 |
|----------------------|-------------------|-------------------|
| Technology expenses | 2,139,379 | 2,682,334 |
| Professional Charges | 24,445,103 | 13,057,094 |
| Meeting Expenses | - | 163,809 |
| Loan processing fees | 11,627,708 | 30,171,953 |
| Total | 38,212,190 | 46,075,190 |

Note 31

There are no unpaid dividends which needs to be transferred to the Investor Education and Protection Fund by the Company.

Note 32

During the year the Company has received a revenue Grant of Rs. 4,072,135/- (31 March 2015: Rs.4,173,184/-) and Rs.2,527,643/- (31 March 2015: Rs. 7,821,158/-) has been utilised towards specific expenditure incurred and a balance Rs.3,815,150/- (31 March 2015: Rs.2,270,659/-) is pending utilisation.

Rupees

| Grant | As at 1 April 2015 | Amount Received | Amount Utilised | As at 31 March 2016 |
|--|-----------------------|--------------------|------------------|------------------------|
| International Finance Corporation | 2,082,325 | 3,754,492 | 2,021,666 | 3,815,151 |
| Small Industries Development Bank of India | 188,334 | - | 188,334 | - |
| DB Grant | - | 317,643 | 317,643 | - |
| Total | 2,270,659 | 4,072,135 | 2,527,643 | 3,815,151 |

Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of the Financial Statements

Note 33

Details of Employee Benefits as Required by The Accounting Standard 15 (Revised) Employee Benefits are as under:

Employee Benefit Plans

(a) Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.111,700,000/- (31 March, 2015 Rs.62,119,925/-) for Provident Fund contributions and Rs.29,350,000/- (31 March, 2015 Rs.20,763,828/-) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(b) Defined benefit plan

The Company offers the following employee benefit schemes to its employees:

1) Details of benefit, cost and obligation – as per actuarial valuation as on 31st March 2016.

| Gratuity | FY 15-16 (Rs.) | FY 14-15 (Rs.) |
|---|--|--|
| Components of employer's expense | | |
| Current Service cost | 5,764,738 | 6,170,058 |
| Interest cost | 1,173,614 | 963,006 |
| Expected return on plan assets | (900,035) | (771,151) |
| Curtailement cost/(credit) | - | - |
| Settlement cost/(credit) | - | - |
| Transitional Adjustment | - | - |
| Actuarial Losses/(Gains) | 9,862,153 | (1,387,603) |
| Total expense recognised in the Statement of Profit & Loss | 15,900,470 | 4,974,310 |
| Actual Contribution and Benefits Payments for year ended | | |
| Actual benefit payments | (1,565,067) | (607,689) |
| Actual Contributions | 13,008,392 | 11,364,077 |
| Net asset/(liability) recognised in balance sheet | | |
| Present value of Defined Benefit Obligation (DBO) | (29,153,753) | (14,818,354) |
| Fair value of plan assets | 22,807,398 | 11,364,077 |
| Funded status [Surplus/(Deficit)] | (6,346,355) | (3,454,277) |
| Unrecognised Past Service Costs | - | - |
| Net asset/(liability) recognised in balance sheet | (6,346,355) | (3,454,277) |
| Change in Defined Benefit Obligations during the year ended | | |
| Present Value of DBO at beginning of year | 14,818,354 | 10,343,776 |
| Current Service cost | 5,764,738 | 6,170,058 |
| Interest cost | 1,173,614 | 963,006 |
| Curtailement cost/(credit) | - | - |
| Settlement cost/(credit) | - | - |
| Plan amendments | - | - |
| Acquisitions | - | - |
| Actuarial (gains)/ losses | 8,962,114 | (2,050,797) |
| Benefits paid | (1,565,067) | (607,689) |
| Present Value of DBO at the end of year | 29,153,753 | 14,818,354 |
| Change in Fair Value of Assets during the year ended | | |
| Plan assets at beginning of period | 11,364,077 | 8,863,809 |
| Acquisition Adjustment | - | - |
| Actual return on plan assets | 900,035 | 771,151 |
| Actual Company contributions | 13,008,392 | 3,000,000 |
| Benefits paid | (1,565,067) | (607,689) |
| Actuarial Gains/(Losses) on Plan Assets | (900,039) | (663,194) |
| Plan assets at the end of year | 22,807,398 | 11,364,077 |
| Actuarial Assumptions for Gratuity | 31-Mar-16 | 31-Mar-15 |
| Discount Rate (%) p.a. | 7.85% | 7.92% |
| Expected Return on plan assets (%) p.a. | 7.85% | 7.92% |
| Attrition rate (%) p.a.: | | |
| For service 4 years and below | 26.00% | 26.00% |
| For service 5 years and above | 2.00% | 2.00% |
| Salary Escalation Rate (%) p.a. | 5.00% | 5.00% |
| Mortality | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |
| Withdrawal rates | Ultimate | Ultimate |

Note: Details of fund assets, which are managed by an insurance company have not been disclosed since the details have not been provided by them.

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2) Experience Adjustment - Gratuity

| Particulars | FY 15-16 | FY 14-15 | FY 13-14 | FY 12-13 | FY 11-12 |
|--|-------------|-------------|-------------|-----------|-------------|
| Present value of defined benefit obligation | 29,153,753 | 14,818,354 | 10,343,776 | 8,092,144 | 5,062,840 |
| Fair Value of Plan Assets | 22,807,398 | 11,364,077 | 8,863,809 | 7,344,669 | - |
| Funded Status (Surplus / (Deficit)) | (6,346,355) | (3,454,277) | (1,479,967) | (747,475) | (5,062,840) |
| Experience Adjustment of plan assets (Gain / (Loss)) | (900,039) | (663,194) | (33,441) | 388,341 | - |
| Experience Adjustment of obligation (Gain / (Loss)) | (8,962,114) | 2,050,797 | 2,330,039 | (699,577) | 1,016,443 |

3) Actuarial Assumptions for compensated balances

| | 31-Mar-16 | 31-Mar-15 |
|---------------------------------|---|---|
| Retirement Age | 60 Years | 60 Years |
| Discount Rate (%) p.a. | 7.85% | 7.92% |
| Attrition rate (%) p.a. : | | |
| For service 4 years and below | 26.00% | 26.00% |
| For service 5 years and above | 2.00% | 2.00% |
| Salary Escalation Rate (%) p.a. | 5.00% | 5.00% |
| Mortality | Indian Assured Lives Mortality (2006-08) Ultimate | Indian Assured Lives Mortality (2006-08) Ultimate |

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

4) Net liability of compensated absences recognised in balance sheet

| Particulars | 31-Mar-16 | 31-Mar-15 |
|--------------|--------------------|-------------------|
| Non Current | 92,652,137 | 34,829,662 |
| Current | 23,699,831 | 11,111,121 |
| Total | 116,351,968 | 45,940,783 |

- 5) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
- 6) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.
- 7) Estimate of amount of contribution in the immediate next year Rs. 16,763,348/-

Note 34

Segment Reporting

The Company's business segment is micro finance services and the principal geographical segment is India. Accordingly, no separate disclosure is required to be made under Accounting Standard 17, Segment Reporting.



Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
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Note 35

Related party disclosures:

Related Party Relationships:

Person with Significant Influence

Mr. Ramesh Ramanathan - Chairman and Director

Enterprises significantly influenced by Person with Significant influence

Jana Urban Foundation

Janaadhar (India) Private Limited

Jana Capital Limited

Jana Urban Services for Transformation Pvt. Ltd.

Jana Holding Limited (effective from Feb-16)

Companies in which director can exercise significant influence

Cross Domain Solutions Private Limited

Relatives of Person with significant influence

Mrs. Radha Ramanathan

Mrs. Swathi Ramanathan

Key Managerial Personnel

Mr. R. Srinivasan - Executive Vice Chairman

Mr. V.S. Radhakrishnan - MD and CEO

Nature and amount of transactions during the year:

Rupees

| Nature of transactions | 31 March 2016 | 31 March 2015 |
|--|---------------|---------------|
| Interest paid during the year | | |
| Mr. Ramesh Ramanathan | 2,100,000 | 2,100,000 |
| Mrs. Radha Ramanathan | 479,999 | 479,999 |
| Mrs. Swathi Ramanathan | 2,100,000 | 2,100,000 |
| Interest received during the year | | |
| Jana Urban Foundation | 20,693 | 2,929,558 |
| Janaadhar (India) Private Limited | 2,021 | 236,727 |
| Jana Capital Limited | 19,416 | - |
| Jana Holding Limited | 3,700 | - |
| Jana Urban Services for Transformation Pvt. Ltd. | 11,766 | - |
| Remuneration for the year | | |
| Mr. R. Srinivasan | 17,635,254 | 6,331,108 |
| Mr. V.S. Radhakrishnan | 21,616,766 | 9,501,951 |
| Income from rent and amenities | | |
| Jana Urban Foundation | 979,959 | 1,811,026 |
| Jana Urban Services for Transformation Pvt. Ltd. | 955,182 | - |
| Paid towards amenities | | |
| Janaadhar (India) Private Limited | 1,974,031 | 1,950,858 |
| Receiving of services | | |
| Jana Urban Foundation | 55,063,429 | 60,112,974 |
| Cross Domain Solutions Private Limited | 9,163,540 | 5,152,570 |
| Janaadhar (India) Private Limited | 315,302 | - |
| Jana Urban Services for Transformation Pvt. Ltd. | 77,485,571 | - |
| Rendering of services | | |
| Jana Urban Foundation | - | 13,677,667 |
| Issue of Shares | | |
| Jana Urban Foundation | - | 1,688,010 |
| Payments/ debits made | | |
| Jana Urban Foundation | 1,815,017 | 10,685,381 |
| Janaadhar (India) Private Limited | 451,917 | 3,906,114 |
| Jana Capital Limited | 48,203 | 293,820 |
| Jana Urban Services for Transformation Pvt. Ltd. | 3,085,299 | - |
| Jana Holding Limited | 304,590 | - |
| Receipts/ credits from | | |
| Jana Urban Foundation | 2,869,712 | 37,116,869 |
| Janaadhar (India) Private Limited | 464,688 | 4,119,169 |
| Jana Capital Limited | 359,498 | - |
| Jana Urban Services for Transformation Pvt. Ltd. | 4,116,563 | - |
| Jana Holding Limited | 307,920 | - |

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Notes forming part of the Financial Statements

| Loans and advances receivable / (payable) | As at 31 March 2016 | As at 31 March 2015 |
|---|------------------------|------------------------|
| Janaadhar (India) Private Limited | - | (165,613) |
| Cross Domain Solutions Private Limited | - | (609,252) |
| Jana Capital Limited | - | 293,820 |
| Outstanding borrowings from | | |
| Mr. Ramesh Ramanathan | 17,500,000 | 17,500,000 |
| Mrs. Radha Ramanathan | 4,000,000 | 4,000,000 |
| Mrs. Swathi Ramanathan | 17,500,000 | 17,500,000 |

1. Related Party relationship is as identified by the company and relied upon by the auditors.
2. No amount in respect of related parties have been written off /back during the current period.
3. Transactions with the related parties have been reported since the date they become related.
4. Re-imbursement of expenses has not been considered for the above disclosure.

Note 36

Operating lease

The company has taken on operating lease for a period ranging from 36 to 108 months which are non-cancelable for the period as referred in the respective agreement.

The future lease payments under operating lease:

| | Rupees | |
|---|---------------|---------------|
| Future minimum lease payments | 31 March 2016 | 31 March 2015 |
| Not later than one year | 64,514,156 | 41,411,633 |
| Later than one year but not later than five years | 175,028,290 | 76,926,054 |
| Later than five years | 133,122,591 | 3,300,771 |

There are no rents which are contingent in nature.

Total future lease receivables under operating lease:

| | Rupees | |
|---|---------------|---------------|
| Future minimum lease receivables | 31 March 2016 | 31 March 2015 |
| Not later than one year | - | 1,008,791 |
| Later than one year but not later than five years | - | - |
| Later than five years | - | - |

Note 37

Earnings per share

Basic & Diluted

| Particulars | Rupees | |
|--|---------------|---------------|
| | 31 March 2016 | 31 March 2015 |
| Basic | | |
| Net Profit as per Statement of Profit and Loss | 1,602,887,977 | 754,109,224 |
| Less: Preference dividend on CCCPS | (1,210) | (840) |
| Less: Dividend Distribution Tax on preference dividend | (246) | (168) |
| Net Profit attributable to equity shareholders | 1,602,886,521 | 754,108,216 |
| Weighted average number of equity shares | 4,316,228 | 3,558,971 |
| Basic earning per share | 371.36 | 211.89 |
| Diluted | | |
| Net Profit as per Statement of Profit and Loss | 1,602,887,977 | 754,109,224 |
| Weighted Average Number of Equity Shares outstanding Basic (Face Value of Rs 10) | 4,316,228 | 3,558,971 |
| Weighted average no. of potential equity shares upon conversion of CCCPS | 32,291 | 12,543 |
| Total weighted average no. of potential equity shares | 4,348,519 | 3,571,514 |
| Diluted earning per share | 368.61 | 211.15 |

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Note 38

Deferred tax asset

In accordance with Accounting Standard 22 "Accounting for Taxes on Income", the Company has recognised Rs. 255,395,960/- (31 March 2015: Rs.40,553,237/-) as deferred tax credit as detailed below.

| Particulars | Deferred Tax Assets / (Liability) as on 1 April 2015 | Current year credit/(charge) | Net Deferred Tax Assets / (Liability) as on 31 March 2016 |
|---|--|------------------------------|---|
| Depreciation | (37,182,819) | (17,717,711) | (54,900,530) |
| Provision for non performing and other assets | 128,319,594 | 192,766,053 | 321,085,647 |
| Provision for Gratuity and Compensated absences | 16,789,381 | 25,881,937 | 42,671,318 |
| Others | 1,211,383 | 54,465,681 | 55,677,064 |
| Net Deferred Tax Asset | 109,137,539 | 255,395,960 | 364,533,499 |

Note 39

The Company has revised its policy of providing depreciation on fixed assets effective April 1, 2014. Depreciation is provided on a straight line basis for all assets as against the policy of providing on written down value basis for some assets and straight line basis for others. Further the remaining useful life has also been revised wherever appropriate, as given in Part C of the Schedule II to Companies Act, 2013. The carrying amount as on April 1, 2014 is depreciated over the revised remaining useful life. The effect relating to the period prior to April 1, 2014 is net credit of Rs. 13,504,934/- which has been shown as an 'Exceptional Item' in the statement of profit and loss.

Note 40 Corporate Social Responsibility

a) Gross amount to be spent by the company during the year: Rs.13,737,784/-

b) Amount spent during the year on:

| | | In cash | Yet to be paid in cash | Total |
|------|--|------------|------------------------|------------|
| (i) | Construction/ acquisition of any asset | - | - | - |
| (ii) | On purposes other than (i) above | 12,250,786 | - | 12,250,786 |

Note 41

The company has entered into certain securitisation/bilateral assignments with Banks/NBFCs during the year.

| Particulars | As at 31 March 2016 | As at 31 March 2015 |
|---|---------------------|---------------------|
| Total number of assets de-recognised during the year | 1,652,507 | 66,624 |
| Rupees | | |
| Consideration received during the year | 25,319,393,613 | 904,245,690 |
| Book value of loan assets securitized during the year | 27,339,002,685 | 931,219,530 |
| Cash collaterals provided | 1,020,229,067 | 59,358,428 |
| Total gain on assignment | - | - |
| Gain on account of assignment to be amortized over the life of the receivable | - | - |
| Upfront income on assignment of receivables | - | - |
| Unamortized income at the year end | - | - |

Note 42

As per the RBI guidelines on securitization of Standard Assets issued on August 21, 2012, the following disclosures have been given.

| | | No. / Amount in Rs. | |
|-----|--|----------------------------|---------------|
| Sl. | Particulars | 31 March 2016 | 31 March 2015 |
| 1 | No. of SPVs sponsored by the NBFC for securitisation transactions | - | - |
| 2 | Total amount of securitised assets as per books of the SPVs sponsored by the NBFC | - | - |
| 3 | Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance Sheet. | | |
| | a) Off-balance sheet exposures | | |
| | * First Loss | - | - |
| | * Others | - | - |
| | b) On-balance sheet exposures | | |
| | * First Loss | 1,079,587,495 | 158,056,675 |
| | * Others | 1,387,196,817 | 28,759,266 |
| 4 | Amount of exposures to securitised transactions other than MRR | | |
| | a) Off-balance sheet exposures | | |
| | i) Exposure to own securitisations | | |
| | * First Loss | - | - |
| | * Others | - | - |
| | ii) Exposure to third party securitisations | | |
| | * First Loss | - | - |
| | * Others | - | - |
| | b) On-balance sheet exposures | | |
| | i) Exposure to own securitisations | | |
| | * First Loss | - | - |
| | * Others | - | - |
| | ii) Exposure to third party securitisations | | |
| | * First Loss | - | - |
| | * Others | - | - |

Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
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Note 43

Ratio of Gold Loans to Total Assets Nil (31 March 2015: 0.0002%)

Note 44

Asset classification and provisioning

| Particulars | Loans (31 March 2016) | | Loans (31 March 2015) | |
|--|--------------------------------|-------------|--------------------------------|-------------|
| | Loans for Financial Assistance | Provision* | Loans for Financial Assistance | Provision* |
| Standard | 90,535,418,611 | 865,172,771 | 36,304,288,374 | 287,965,331 |
| Sub-Standard | 165,443,569 | 47,912,215 | 254,720,310 | 77,920,216 |
| Doubtful | 14,693,697 | 14,693,697 | 11,636,060 | 11,636,060 |
| Total portfolio balance and related provisions | 90,715,555,877 | 927,778,683 | 36,570,644,744 | 377,521,607 |

* Excludes bad debts written off Rs. 399,538,406/- (31 March 2015: Rs. 93,733,848/-)

Note 45

Movement of Provisions for FY 15-16

| Particulars | As at 1 April 2015 | Additional Provision | Utilisation/ Reversal | As at 31 March 2016 |
|-------------------------------------|-----------------------|----------------------|--------------------------|------------------------|
| Movement of Provisions for FY 15-16 | 377,521,607 | 949,795,482 | 399,538,406 | 927,778,683 |

Movement of Provisions for FY 14-15

| Particulars | As at 1 April 2014 | Additional Provision | Utilisation/ Reversal | As at 31 March 2015 |
|-------------------------------------|-----------------------|----------------------|--------------------------|------------------------|
| Movement of Provisions for FY 14-15 | 208,111,193 | 263,144,261 | 93,733,847 | 377,521,607 |

Note 46

Disclosures pursuant to Reserve Bank of India Notification DNBS.200/CGM (PK) - 2008 dated August 1, 2008

A) Capital adequacy

| Particulars | As at 31 March 2016 | As at 31 March 2015 |
|--|------------------------|------------------------|
| Tier I Capital* | 10,524,594,024 | 9,970,510,520 |
| Tier II Capital | 5,747,433,835 | 437,294,088 |
| Total Capital | 16,272,027,859 | 10,407,804,608 |
| Total Risk Weighted Assets | 93,778,203,485 | 37,184,346,844 |
| Capital Ratios | | |
| Tier I capital as % to total risk weighted assets | 11.22% | 26.81% |
| Tier II capital as % to total risk weighted assets | 6.13% | 1.18% |
| Total Capital as % to total risk weighted assets | 17.35% | 27.99% |

*Company entered into a shareholding agreement dated February 11, 2016 for issuing 1,144,350 Class A Equity Shares of Rs.10/- each at a premium of Rs.8,729/- per share. Subsequently, on April 13, 2016 the Company received Rs 9,999,997,700/- and the said shares were allotted and the Company has completed the allotment formalities.



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B) Exposure to Real Estate

| Category | Rupees | |
|---|------------------------|------------------------|
| | As at 31 March 2016 | As at 31 March 2015 |
| A) Direct Exposure | | |
| (i) Residential Mortgage : Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented | 54,710,981 | 63,444,104 |
| (ii) Commercial Real Estate: Lending secured by mortgages on commercial real estates | - | - |
| (iii) Investments in mortgage backed securities (MBS) and other securitised exposures | | |
| —Residential | - | - |
| —Commercial Real Estate | - | - |
| B) Indirect Exposure | | |
| Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | - | - |

C) Asset and Liability Management

Maturity pattern of certain items of Assets and Liabilities as at 31 March 2016

| Particulars | Liabilities | | Assets | |
|------------------------------|---|---|--|------------------------|
| | Borrowing from Banks / Institutions | Market Borrowings | Advances | Investments |
| 1 day up to 1 month | 3,466,931,059 (1,593,702,475) | - | 3,360,331,597 (2,360,788,853) | - (-) |
| Over 1 month up to 2 months | 2,164,140,761 (1,355,288,479) | 93,750,000 (650,000,000) | 3,985,945,622 (2,535,682,633) | - (-) |
| Over 2 months up to 3 months | 3,658,662,890 (1,885,527,946) | 35,714,286 - | 4,030,396,385 (2,482,528,166) | - (-) |
| Over 3 months up to 6 months | 9,580,864,420 (4,945,044,390) | 2,379,464,286 (35,714,286) | 12,020,705,628 (7,424,935,981) | - (-) |
| Over 6 months up to 1 year | 18,136,218,209 (8,223,132,950) | 1,418,928,571 (591,428,571) | 24,422,826,836 (11,498,658,419) | - (-) |
| Over 1 year up to 3 years | 28,370,457,119 (12,268,072,965) | 17,627,500,000 (3,592,857,143) | 42,263,574,308 (9,970,361,120) | - (-) |
| Over 3 years up to 5 years | 1,425,212,500 (28,426,967) | 1,900,000,000 (2,800,000,000) | 266,140,293 (125,590,149) | - (-) |
| Over 5 years | 1,486,987,500 - | 4,760,000,000 - | 365,635,208 (172,099,424) | - (-) |
| Total | 68,289,474,458.10 (30,299,196,172) | 28,215,357,143 (7,670,000,000) | 90,715,555,877 (36,370,644,745) | - (-) |

Figures in brackets indicate 31 March 2015 numbers

Note 47 Disclosure as required under DNBS(PD)CC No.300/03.10.038/2012-13 dated August 3,2012

Margin Cap of the Company as on 31 March 2016 is 9.10% (31 March 2015: 9.73%). This has been computed as suggested by MFIN in their representation to The Reserve Bank of India dated August 29, 2012 (Subject reference : RBI/2012-13/161 ONBS (PO) CC.No.300 /03.10.038/2012-13. dated August 3, 2012)



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Notes forming part of the Financial Statements

Note 48

Disclosure of frauds reported during the year ended 31 March 2016 vide DNBS. PD. CC No. 256/03.10.142/2011-12 dated 2 March 2012.

| | Less Than Rs. 1 Lakh | | Rs. 1 to Rs. 5 Lakh | | > Rs. 5 Lakhs | |
|--|-------------------------|------------------|---------------------|------------------|-----------------|----------------|
| | No. of Accounts | Value (Rs.) | No. of Accounts | Value (Rs.) | No. of Accounts | Value (Rs.) |
| A) Person Involved | | | | | | |
| Staff | 527 | 1,137,462 | 2,022 | 3,632,212 | - | - |
| Customers | - | - | - | - | 34 | 608,000 |
| Staff and Customers | - | - | - | - | - | - |
| Outsider | 379 | 592,390 | 3,092 | 4,843,574 | - | - |
| Total | 906 | 1,729,852 | 5,114 | 8,475,786 | 34 | 608,000 |
| B) Type of Fraud | | | | | | |
| Misappropriation and Criminal Breach of Trust | 420 | 885,395 | 1,677 | 3,121,096 | - | - |
| Fraudulent Encashment/ manipulation of books of accounts | - | - | - | - | - | - |
| Unauthorised Credit Facility extended | - | - | - | - | - | - |
| Negligence and cash shortages | 9 | 12,420 | 184 | 263,440 | - | - |
| Cheating and Forgery | 42 | 164,527 | - | - | 34 | 608,000 |
| Others | 435 | 667,510 | 3,253 | 5,091,250 | - | - |
| Total | 906 | 1,729,852 | 5,114 | 8,475,786 | 34 | 608,000 |

The above summary is prepared based on the information available with the Company and relied upon by the auditors

Disclosure of frauds reported during the year ended 31 March 2015 vide DNBS. PD. CC No. 256/03.10.142/2011-12 dated 2 March 2012.

| | Less Than Rs. 1 Lakh | | Rs. 1 to Rs. 5 Lakh | | > Rs. 5 Lakhs | |
|--|-------------------------|----------------|---------------------|------------------|-----------------|-------------|
| | No. of Accounts | Value (Rs.) | No. of Accounts | Value (Rs.) | No. of Accounts | Value (Rs.) |
| A) Person Involved | | | | | | |
| Staff | 1,042 | 357,494 | 475 | 1,299,863 | - | - |
| Customers | 181 | 226,010 | 1,525 | 2,306,295 | - | - |
| Staff and Customers | - | - | 632 | 1,190,300 | - | - |
| Total | 1,223 | 583,504 | 2,632 | 4,796,458 | - | - |
| B) Type of Fraud | | | | | | |
| Misappropriation and Criminal Breach of Trust | 1,042 | 357,494 | 1,107 | 2,490,163 | - | - |
| Fraudulent Encashment/ manipulation of books of accounts | - | - | - | - | - | - |
| Unauthorised Credit Facility extended | - | - | - | - | - | - |
| Cheating and Forgery | - | - | 11 | 110,000 | - | - |
| Others | 181 | 226,010 | 1,514 | 2,196,295 | - | - |
| Total | 1,223 | 583,504 | 2,632 | 4,796,458 | - | - |

The above summary is prepared based on the information available with the Company and relied upon by the auditors

Janalakshmi Financial Services Limited (formerly Janalakshmi Financial Services Private Limited)
Notes forming part of the Financial Statements

Additional disclosure as per RBI guidelines as mentioned in Revised regulatory framework for NBFC dated November 10, 2014 (Note no. 49 to 57)

Note 49

| Customer Complaints | 31-Mar-16 | 31-Mar-15 |
|--|-----------|-----------|
| No. of complaints pending at the beginning of the year | 0 | 2 |
| No. of complaints received during the year | 822 | 107 |
| No. of complaints redressed during the year | 699 | 109 |
| No. of complaints pending at the end of the year | 123 | 0 |

Note 50

Concentration of Deposits, Advances, Exposures and NPAs

| 1 Concentration of Deposits (for deposit taking NBFCs) | 31-Mar-16 | 31-Mar-15 |
|---|----------------|----------------|
| Total Deposits of twenty largest depositors | Not applicable | Not applicable |
| Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC | | |

| 2 Concentration of Advances | 31-Mar-16 | 31-Mar-15 |
|--|------------|------------|
| Total Advances to twenty largest borrowers | 90,233,703 | 67,926,634 |
| Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC | 0.10% | 0.16% |

| 3 Concentration of NPAs | 31-Mar-16 | 31-Mar-15 |
|---|-----------|------------|
| Total Exposure to top four NPA accounts | 9,030,176 | 10,540,402 |

4 Percentage of NPAs to Total Advances in that sector

| Sector-wise NPAs | 31-Mar-16 | 31-Mar-15 |
|-------------------------|-----------|-----------|
| Sector | | |
| 1. MSME | 2.65% | 4.32% |
| 2. Micro finance loans | 0.06% | 0.30% |
| 3. Other personal loans | 0.42% | 4.34% |

6 Movement of NPAs

| Particulars | 31-Mar-16 | 31-Mar-15 |
|---|---------------|--------------|
| (i) Net NPAs to Net Advances (%) | 0.13% | 0.49% |
| (ii) Movement of NPAs (Gross) | | |
| (a) Opening balance | 266,356,370 | 69,571,173 |
| (b) Additions during the year | 313,319,302 | 290,519,044 |
| (c) Reductions during the year | (399,538,406) | (93,733,847) |
| (d) Closing balance | 180,137,266 | 266,356,370 |
| (iii) Movement of net NPAs | | |
| (a) Opening balance | 176,800,094 | 46,812,344 |
| (b) Additions during the year | 340,269,666 | 223,721,597 |
| (c) Reductions during the year | (399,538,406) | (93,733,847) |
| (d) Closing balance | 117,531,354 | 176,800,094 |
| (iv) Movement of provisions for NPAs (excluding provision on standard assets) | | |
| (a) Opening balance | 89,556,276 | 22,758,829 |
| (b) Provisions made during the year | 372,588,043 | 160,531,294 |
| (c) Write off / write back of excess provisions | (399,538,406) | (93,733,847) |
| (d) Closing balance | 62,605,913 | 89,556,276 |

Note 51**Provisions and Contingencies**

Break up of 'Provisions and Contingencies' shown under the head Expenditure in statement of Profit and Loss

| | Rupees | |
|---|---------------|-------------|
| Particulars | 31-Mar-16 | 31-Mar-15 |
| Provision for non performing and other assets | 550,257,076 | 169,410,414 |
| Provision made towards Income tax | 1,034,571,589 | 371,400,000 |
| Provision for compensated absences | 101,754,575 | 44,055,377 |
| Provision for Gratuity | 15,900,470 | 5,082,266 |

Note 52**Investment details:**

| | Rupees | |
|--|-----------|-----------|
| Particulars | 31-Mar-16 | 31-Mar-15 |
| (1) Value of Investments | | |
| (i) Gross value of investments | | |
| (a) In India | 1,000,000 | 1,000,000 |
| (b) Outside India | - | - |
| (ii) Provision for Depreciation | | |
| (a) In India | - | - |
| (b) Outside India | - | - |
| (iii) Net value of Investments | | |
| (a) In India | 1,000,000 | 1,000,000 |
| (b) Outside India | - | - |
| (2) Movement of provision held towards depreciation on Investments | | |
| (i) Opening balance | - | - |
| (ii) Add: Provision made during the year | - | - |
| (iii) Less: Write off/write back of excess provision during the year | - | - |
| (iv) Closing balance | - | - |

Note 53

| | 31-Mar-16 | 31-Mar-15 |
|---|-----------|-----------|
| Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC | Nil | Nil |

Note 54

| | 31-Mar-16 | 31-Mar-15 |
|---|-----------|-----------|
| Details of non-performing financial assets purchased/sold | Nil | Nil |

Note 55

| | 31-Mar-16 | 31-Mar-15 |
|--|-----------|-----------|
| Registration/ licence/ authorisation obtained from other financial sector regulators | Nil | Nil |

Note 56

| | 31-Mar-16 | 31-Mar-15 |
|--|-----------|-----------|
| Penalties, if any, levied by any regulator | Nil | Nil |



Note 57

Ratings assigned by credit rating agencies and migration of ratings during the year

| Particulars | 31-Mar-16 | 31-Mar-15 |
|---|--------------------------|---------------------|
| A. MFI Grading | CRISIL mFR 1 | CRISIL mFR 1 |
| B. Long Term Bank Facilities / Non convertible Debentures | CRISIL A- | CRISIL BBB+ |
| | ICRA A | ICRA A- |
| C. Short Term Bank Facilities | CRISIL A1 | CRISIL A2+ |
| D. Securitization Transactions | | |
| 1. IMLRT December 2013 B | Transaction closed | CARE A+ |
| 2. IMLRT February 2014 C | Transaction closed | CARE A+ |
| 3. IMLRT March 2014 E | Transaction closed | CARE A+ |
| 4. Orchid JFSIBL Feb 2014 | Transaction closed | CRISIL AAA |
| 5. Orchid JFSIBL March 2014 | Transaction closed | CRISIL AAA |
| 6. Orchid JFSIBL Feb 2015 | CRISIL AAA | CRISIL AA- |
| 7. Urashi SBL IFMR Capital 2015 | ICRA A & ICRA BBB- | ICRA A- & ICRA BBB- |
| 8. JFS Microfinance August 2015 | ICRA A | |
| 9. JFS Microfinance September 2015 | CRISIL AA- | |
| 10. JFS Microfinance Trust 2 September 2015 | CRISIL AA- | |
| 11. Libertas IFMR Capital 2015 | CRISIL BBB & CRISIL BB | |
| 12. Aergia IFMR Capital 2015 | CRISIL A+ & CRISIL BBB+ | |
| 13. Morpheus IFMR Capital 2015 | CRISIL A & CRISIL BBB+ | |
| 14. Zion IFMR Capital 2015 | CRISIL A- & CRISIL BBB- | |
| 15. Emerald Trust February 2016 | CRISIL A+ | |
| 16. Sentinel IFMR Capital March 2016 | CRISIL A- & CRISIL BBB+ | |
| 17. Architect IFMR Capital March 2016 | CRISIL A & CRISIL BBB+ | |
| 18. Cypher IFMR Capital 2016 | CRISIL A & CRISIL A- | |
| 19. Icharus IFMR Capital 2016 | CRISIL BBB+ & CRISIL BB+ | |
| 20. Mjolnir IFMR Capital 2016 | CRISIL A- & CRISIL BBB | |
| 21. Oracle IFMR Capital 2016 | CRISIL A- & CRISIL BBB | |
| 22. Niobe IFMR Capital 2016 | CRISIL A+ & CRISIL A | |


Note 58

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


Signatures to Notes 1 to 58


For and on behalf of the Board of Directors


R. Srinivasan
Executive Vice Chairman


Richa Saxena
Company Secretary

Place: Mumbai
Date: May 11, 2016


V.S. Radhakrishnan
Managing Director & CEO


Jayashree Bhansali
Chief Financial Officer