



JANALAKSHMI
ANNUAL REPORT
2015-2016

Featured on the cover :



Rajkumari

Nano Loan customer

"I sell goods worth Rs. 7000 a day, thanks to Janalakshmi"

Apart from selling bananas on a cart, Rajkumari owns a shop called JK Dry Fruits, which sells dry fruits, dry fish, garam masala, coconut, pooja items, plastic cups, plates and spoons.

Her story of her relationship with Janalakshmi is a journey of aspiration, growth and business acumen combined with hard work. Rajkumari took a first Small Batch loan from Janalakshmi seven years ago.

She has taken five loans from Janalakshmi so far. She wanted her Nano business loan of Rs. 1,50,000 sanctioned before Diwali last year so that she could buy firecrackers she could sell at a profit, which she did. Her dream is to buy a house in Neelasandra and get her daughter married.

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Chandrashekhar

Badthi Bachat Customer

"I am saving Rs.6000 a week with Janalakshmi because I want to start my own distributorship soon"



Chairman's Note

Dear Shareholders,

We continued our run of outstanding performance in the fiscal year 2015-16. The Management Discussion and Analysis (MDA) section in this Annual Report will give you many details related to this performance, not just on the business front, but across all aspects of the enterprise. This year's MDA is more granular than prior years, and sets our own performance against the larger backdrop of our industry's (MFI sector) evolution, and also the national economic and financial markets landscape.

As before, I will use my own report to update you on those aspects related to the evolution of the institution that don't normally show up in the mainstream 'metrics' of performance updates in an MDA note. For a shareholder, this 'jugalbandhi' of getting two complementary reports provides a richer understanding of the institution. This is now our third year of taking such an approach. Individually, each year's update will give the reader a sense of the progress made from one year's milestones to the next. However, read collectively, they form an institutional anthology that captures the overall journey of the enterprise on a larger canvas of time.

Report card: Progress over the year

At Janalakshmi, we are clear on the markets we want to serve, and the customers we want to enable: they fall into the 'mass market' category in Urban India, both on the individual consumer front as well as on the enterprise front. Over the years, we have also learnt that the term BOP or 'Bottom of the Pyramid' doesn't do justice to the large range of customers on both fronts; in fact, we have learnt that there is a pyramid within the pyramid. Hence, we will need to organize ourselves in a manner that reflects the unique characteristics of these segments within the mass market space.

This definition of the markets we want to serve comes from our unshakeable identity as a 'social enterprise'. Janalakshmi's stated vision is **'An India where the promise of prosperity touches every Indian'**.

Earlier this year, we codified our aspiration of how we see ourselves serving this market:

Janalakshmi will not only be in mass-market Retail finance and Enterprise finance, but also in a category that we call 'Payments-Plus', in the rapidly-growing space of digital payments. Our business model will be built around both the traditional 'Stock' based business of banks, and also the 'Flow' based business of new digital-payment players. The combination of Stock+Flow will give us a unique competitive position. Our plans for Rural India will leverage our urban strength, and be built around servicing rural-urban economic corridors. We also aim to be a significant player in lines of business that we call 'Inclusion Adjacencies'.

The operational implications of this aspiration are reflected in our lines of business: we have now

established seven lines of business, across four business verticals:

1. Retail Financial Services (RFS), which focuses on our consumer business. RFS in turn has two lines of business:
 - a. Small Batch (SB) which is the bulk of our business today; and
 - b. Nano, which is our first individual loan product that we offer to retail customers. Nano loans are given to enterprises that are informal, with no registration or paperwork, almost invariably with only the entrepreneur as the sole employee, and generally of low vintage. This is in many ways the fledgling signs of an enterprise that is getting created.
- c. Agri and Rural Finance, which is our first foray into rural banking, and was established this year. I will have an update on this business in next year's report.
2. Enterprise Financial Services (EFS): This is our business vertical focused on the lower half of India's enterprise economy. Until this year, EFS had only one business, but we have split this into two distinct business units this year:
 - a. Emerging Micro (EM): These are businesses that are the first signs of a legitimate enterprise, and are the logical next step in an enterprise's journey from the Nano category. EM enterprises are identified based on a framework called 'Degree of Formalisation' (DOF) that we created as the result of a 'design-thinking' multifunctional approach. More on DOF in the Customer Focus update below. Suffice it to say here that EM clients are low on DOF scores.

- b. Micro and Small Enterprises (MSE): These are more mainstream enterprise customers, who have higher levels of formalization, but are still in the Micro or Small Enterprise categories.
3. Agent Banking: This is embedded in our Payments vertical that is run under the Strategy and Innovations division. Agent banking's focus is to expand our distribution network to deliver on the payments-plus approach and enable the 'stock+flow' range of offerings to our customers.
4. Public Finance: This is a business focused on urban infrastructure financing, like waste management systems, sewage treatment plants, affordable housing, renewable energy, transport hubs and networks, etc. This business is an example of what we call an 'Inclusion Adjacency' – it is addressing a set of needs that our core customers have (across both retail and enterprise segments) and complements our other business lines by building on and expanding the same set of competencies.

Building all these businesses has taken patient, systematic work over several years, and we were able to bring many of the pieces to closure this year. We are delighted that we have now established all seven lines of business, with dedicated teams that have been hand-picked. With this, we are well-positioned to look ahead to the coming years, since the bulk of our plans going forward will be based around these business lines.

Our Operating Model:

In last year's update, I wrote of the evolution of our Operating Model over the years, from JANA1.0 to JANA2.0 to JANA3.0, and finally to the JANA4.0 framework that we had established at the end of the previous year.

As a quick recap, the components of our JANA4.0 Operating Model are described below:

1. The 4 Building Blocks: This is the Core of our Operating Model, and has 4 elements:

1a: Superior Business Model and Risk Management: The sine qua non of any financial services institution is the quality of its business model: how good are the risk-return profiles, how consistently can this grow, what are the key metrics that demonstrate this, and so on.

1b: Customer Centricity and Value Addition: Our ability to generate superior long-term outcomes will be driven by a relentless focus on our customers and adding value to their lives.

1c: Cutting-edge Operations and Technology Platform: We could talk of unique business models that are driven by deep customer insights, but the moment of truth is whether we can deliver these on-the-ground, with an operational and delivery infrastructure that is world-class. Here, we need to bring together two key aspects: physical delivery that is deep in the trenches where our customers live and work; but supported and enabled by a digital strategy: the coming together of these two aspects is what we have christened PHYSITAL – Physical and Digital: high touch enabled by high tech. Executing on this third element of our building blocks ensures that we will have the right operational and technology infrastructure in place.

1d: Deep and Diverse Human Capital: At the end of the day, all the ideas, innovation and execution will have to be done by people, demonstrating leadership and passion at all levels of the organization. Ensuring that we do justice to this aspect of our functioning will be the fourth building block of this theme.

It is important to note that these 4 elements are not standalone elements, but interconnected pieces of a common framework that together form the Core Building Blocks.

2. Data-driven Performance Management System:

Pulling together the 4 building blocks is a highly digitized, intensely data-driven performance management system. This has built the framework of the Balanced Scorecard system. This performance management system works at two levels: at the level of entity performance management (using the Balanced Scorecard methodology, an entity could be a business unit or a functional unit); and at the level of individual performance management.

3. Compelling and Authentic Brand promise:

Janalakshmi has been built as a unique purpose-driven social enterprise. We need to communicate this in a compelling and authentic manner, and the communications platform that was built last year lays the foundation for this work. But we are also a service-brand, providing financial services to customers, whose experience of our company will be driven by their frontline interactions with our JanaNayaks, primarily through the physical touchpoints but also increasingly through various other channels of engagement.

Our communication challenge at Janalakshmi will be to do justice to this large aspiration, both for our internal 'customers' as well as our external ones.

4. Living our Values:

Underpinning all our work is the abiding belief that nothing of long-term value can ever be built without uncompromising values and ethics and the highest levels of corporate governance. We will continue to create alignment between our words and our actions, and hold ourselves accountable to our colleagues, our board, our investors and our larger community of stakeholders.

As I look back on the evolution of our operating model over the years, I feel that JANA4.0 is a comprehensive framework that captures all the inter-connected aspects of running a successful enterprise. Hence, it is unlikely to be changed any time soon, to get replaced by a JANA5.0 (famous last words☺). If we are not wrong in our assessment that JANA4.0 is relatively stable, you will get annual updates along the lines of this framework for some years, which will make it easier to see how the pieces of the institutional jigsaw are coming together.

With this expectation in mind, both the updates in this Annual Report (the MDA note and the Chairman's note) will be done along the lines of the JANA4.0 framework, to the extent that there are meaningful updates to provide on relevant components of the framework. The MDA report will have operational updates, whereas my note will focus on less tangible elements as well as some institutional development aspects.

A portrait of Jyothy Mary, a woman with dark curly hair, wearing a green and pink saree with a floral border. She is smiling and has her hands clasped. She is wearing a gold necklace, a gold bangle, and a silver watch. The background is a blurred indoor setting with a desk and a painting.

Jyothy Mary

Small Batch Loan Customer, Jana Champ

"Janalakshmi is like my mother's home. I knew there was so much more to life after Janalakshmi came in to my life"

The 4 Building Blocks

1a. Superior Business Model and Risk Management:

Finance

The finance function begins with being the custodian of our business model for each of the businesses stated above (via the Planning and Budgeting team), which then leads to them being responsible to ensure that the business plans are adequately financed, both with the quantum as well as the right cost of funds. The Planning and Budgeting team in Finance works closely with the business to determine the plan for the year. This is a complex process, especially given our approach on getting the Unit of Economics right. Each business could have a different Unit of Economics. For example, the bulk of our business today comes from the Small Batch Loan that we run out of the Retail Financial Services business vertical. The Unit of Economics for this business is the Jana Centre (JC) – starting with one JC, then aggregating to a cluster of JCs, which then gets reviewed at a regional/zonal level and finally adds up to the enterprise view. The business plan for any JC is a function of its vintage and its location. The monthly targets are negotiated between the Planning and Budgeting team with the business, for every JC, at the beginning of the year. Actual performance is then measured against these unit of economics benchmarks, on a monthly basis, by JC. All higher-level reviews are only summations of these core units.

Over the years, we have built a really solid planning and budgeting framework for the SB business. This year, the finance team has established robust Unit of Economics business plans for most of the key businesses, across

Retail Financial Services (RFS), including for the newly-set-up Agri and Rural Business vertical; for the two businesses in Enterprise Financial Services (EFS); and for Agent Banking.

These models will evolve over time, but the basic framework is in place. Working these models will require the right enabling technology platforms, so that actuals versus plans are generated and published seamlessly and in real-time.

In addition to the increasing sophistication of the planning and budgeting work, is the significant expansion of the fund-raising activities by finance. Over the course of this year, this team has gone from raising funds primarily from the banking system, to a wide-ranging and diversified funding pool that comprises bank financing, securitization, Non-convertible debentures (NCDs) both domestic and foreign, and External Commercial Borrowings (ECBs). This is in addition to closing out on our 6th round of equity capital raise, which positions us well to maintain our healthy growth. To enable all this in a more coherent manner, a Central Funding Unit (CFU) is being established within the finance function, which will not only interact with the business side, but also be the conduit to the Treasury and Capital Markets team that we will be putting in place.

In addition to these ongoing activities, the finance function has also been working hard to put in place all the aspects related to the bank transition – for example, establishing a Funds Transfer Pricing (FTP) regime, which will become the foundation for the engagement between the Central Funding Unit and the businesses.

Risk Management

A financial institution is defined by how it manages risk. This risk emerges from many places – the credit risk from the lending activities; the operations risk arising from the distributed nature of the work, market risk from participation in the financial markets, and so on. At Janalakshmi, at this point in our journey, the scope of our activities is relatively simple compared to large, complex financial institutions; for example, our limited participation in the financial markets means that market risk is minimal, but this and other risks will grow with time. Hence, the scope of our risk canvas is limited, and our primary risks are credit risk and operations risk.

There are also inter-dependencies between these risks. For example, our experience has shown that the interplay between credit and operations risk is very high in our business. In fact, one could argue that the microfinance business' core offering of a group loan actually has very little credit risk, and more operations risk: getting out on the ground, going to customers in the slums and villages, ensuring that we acquire them in the correct manner with the right group verification safeguards, and then undertake the repayment processes in a disciplined and systematic way – all these are operational aspects of the business. The actual credit 'underwriting' decision of whether or not to lend is not based on financial analysis or substantial borrower credit-worthiness assessment (other than the bureau check). However, the operational processes are significant – in fact, one of the core competencies of organisations like us is the ability to manage large-volume transactions and all their associated processes with great efficiency and quality. If we don't manage these operational aspects well, i.e. if we allow operational risks to grow, we are likely to see

poor credit quality, or adverse post-contractual behavior by our borrowers. Poorly-managed operations risk is a precursor to credit risk: hence, the correlation between operations risk and credit risk.

Over the course of this past year, we pulled together different functions that look at our operations, from business to operations to internal control to internal audit to fraud to business intelligence. In the past, each of these functions had a rigorous tracker for various operational aspects, but these were all silo-based, with minimal integration across the functions. The result was an effective, but fragmented sense of oversight. This was limiting in many ways: first, it wasn't efficient, resulting in duplication of oversight; second, it wasn't holistic, so that we could see the same operational activity across functions, and get collective insights; third, it wasn't strategic or forward-looking, in that we could build upon this integrated approach to something possibly bigger and better, like predictive analytics, etc.

Given all this, the groups came together early in the year to work on what was called an 'Integrated Operations Risk Framework'. After several months of painstaking effort, the result is an outstanding framework that has been rolled out across the enterprise as of the last quarter of the year. This integrated Operational Risk Framework has 3 rhythms: first, a daily risk dashboard that is published for all JCs, which is a kind of early-warning signal of key risks that need to be kept track of; second, a monthly operational risk scorecard that looks at metrics that get generated once a month; and third, a quarterly internal audit dashboard that aligns with the daily and monthly reports. These scorecards are also finding their way on the performance measurement systems like our Balanced Scorecards and Goal Sheets.

This work on Integrated Ops Risk has just begun. Over the course of the coming year, we will stabilize it, and then leverage it into a critical competence for us as a financial institution, in how we manage our operations risk.

This work has also resulted in another stream of activity related to risk – a much more holistic effort at Integrated Enterprise Risk Management, which pulls all the risks onto a common framework. These risks go beyond just operations risk, but include credit risk, market risk and other risks as well. It is still early days for the Enterprise Risk Management work. I will have much more to report on both these in next year's update.

1b: Customer Centricity and Value-Addition

'Customer Centricity' is fast becoming a buzzword in enterprise jargon. Terms like 'Customer Experience', 'Customer Journey' and 'Customer Value' are finding increasing mention, along with 'Design Thinking'. Like most buzzwords, there is substance to these terms, but the devil is in the details: every institution will have to walk the long, hard journey of defining what they mean in their own institutional context.

Our very genesis (see Chairman's note, Annual Report 2013-14) lay in customer centricity: understanding the urban poor customer and recognizing that she was fundamentally different from her rural cousin – with different aspirations and different needs for financial services. Over the years, we have always attempted to keep our ear close to the ground, listen to our customers and adapt our offerings to provide value to them, but my honest assessment is that we are a long way from being excellent at this. Our Customer Insights Centre of Excellence that is housed within our sister organization Jana Urban Services for Transformation


(JUST) has evolved exceedingly well over the years. This year, we established a formal Marketing function in Janalakshmi, which will also be the functional owner for the Customer Centricity work going forward.

One key initiative that was completed this year is worth mentioning: a framework that we call 'Degree of Formalisation' (DOF), a scorecard to determine the level of formalization of an enterprise: is the enterprise registered with any government agency or civic body; does it have a PAN card, does the promoter have a PAN card; is there a credit rating like CIBIL; is there an accounting system; if there are employees, are they formally on the rolls or not; do they get statutory benefits, and so on. The process of taking a loose set of questions and converting these into a formal scorecard on a set of distinct dimensions took several months of a multi-functional working group, but the results have been outstanding. We now run the Emerging Micro (EM) business vertical on the basis of DOF scores that are administered to every prospective client. Over the coming year, we will be able to share many key insights arising from DOF scores and customer behavior. But there are also policy spinoffs: we can engage policy-makers on the challenges of formalization being faced by enterprises; the idea of 'Ease of Doing Business' is not only for large-scale enterprises, but applies equally to micro enterprises, and we can extract many ideas to remove frictional bottlenecks to improve the ease of doing micro-business from our DOF learnings.

1c: Cutting-Edge Operations and Technology

Operations

Over and above the core challenges of scaling up Operations to ensure that business metrics are met, the Operations function made many investments in strengthening the function and investing for the



future. One example that I want to highlight here is the establishment of the Process Excellence group, which has a large mandate to instill a culture of continuous process improvement. The group's work demands detail and discipline, and in the few months that they have been around, they have brought these competencies in ample measure. A comprehensive collation of all process documentation has already been done, and this is being standardized and integrated. This work is already beginning to feed a larger, multi-year initiative called 'Intelligent Process Assurance' which is a combination of digital documentation as well as digital workflows. More on this next year, when we will hopefully have something to show.


One critical success that this group has already achieved is to create a culture of continuous process improvement that is shared across the company. They did this by running a campaign called 'Jana Idea', which invited ideas that could improve our functioning – could be the smallest idea about switching off lights in the office when the last person left, to changing how we process files for customer loan disbursals. The point was that no idea was too small. The team ran this initiative with passion, responding to each and every person who sent in ideas, then screened the ideas based on impact metrics, connected with the promising ones, and worked with them to implement the ideas. There were over 1,000 ideas that came in from all parts of the organization, and all corners of the country. Over 26 were selected, and have been successfully implemented. The 'Jana Idea' campaign showed that there are enough enthusiastic colleagues who will embrace an opportunity to improve things around them – its success has resulted in the campaign getting being run as an ongoing exercise.

Technology

The year saw major initiatives on the technology front, along two workstreams: 'business-as-usual' projects, and transformational projects. As the name suggests, the first workstream relates to keeping the business engines running, while the second workstream is to build the rails of the future, with key strategic initiatives.

While there are many updates to give (and the MDA note will have some of these), the one initiative that I would like to focus on is a transformational project to bring all the technology of the institution to the frontline colleagues, or what in industry parlance is called "FOS"- feet-on-street, on their device – a tablet, ideally. At one of our reviews, a colleague who had just joined and heard this term, stated that she found it patronizing and that we should change the acronym. FOS had already been embedded as the term for the project, so we changed the term to mean 'Frontline Operating System' – a signal both of our desire to respect our colleague's views but also of our creativity! The FOS initiative has been going on for almost eighteen months now, and will be integrating all our workflows for all our offerings, coming together in the most user-friendly manner for frontline colleagues. It will also be a hands-on window to our internal communication platform that we are building called 'Channel J' (more on this in the next section). The FOS platform has to address many on-the-ground operational challenges, both with our own team-mates, but also for customers. It also has to be future-proofed, in terms of new offerings that we will be releasing.

After months of trial and error, redesigning and redeployment, the FOS initiative has finally got to the point of launch, as the year ended. The first pilots across selected JCs have been successfully completed, and received overwhelming responses



from the teams. As we look ahead to the coming year, we will be rolling out the FOS initiative across the enterprise. Going forward, the FOS platform will become one of the key foundational pillars of our extended technology network.

1d: Deep and Diverse Human Capital

In my report last year, I wrote at some length on the many operational aspects to the build-out of our Human Capital. This year, those aspects will find a place in the MD&A note in this Annual Report.


I want to focus on one initiative that will soon become the cornerstone of our work related to Engagement: Channel J. Over the past few years, as we grew and became a widely distributed organization (close to 10,000 colleagues operating from over 300 locations nationwide), it became clear to us that one of our major challenges is going to be in engagement: staying in touch with all our colleagues, listening to them, and communicating continuously with them about our vision, values and operational priorities. As compelling as our vision and values may be, it is frankly impossible for it to be heard without dilution by the last person at the most far-flung location of the company. The 'loss in transmission' of our messages would be enormous, and more importantly, the feedback loop of what our colleagues were thinking would be completely lost. While there is no substitute for person-to-person communications – both in one-on-one and group settings – it was clear that we needed to think about an engagement platform that enabled this 'many-to-many' communication in real time. A set of brainstorming sessions resulted in an 'Aha' moment when we conceived 'Channel J': An online platform that also acted as a social tool, allowing users to form their own groups – be it functional or geographic, ask and answer

questions, get to understand the org chart, listen to important policy communications, post updates and so on. The more we discussed the possibilities, the more excited we were at what we could achieve, especially on the engagement front. We created a multi-functional working group to carry the idea forward – anchored by Human Capital, Marketing and Technology. After a year-and-a-half of effort, we are finally at the threshold of launching Channel J. The possibilities are tantalizing. I will have more to report in my report next year, on how we have used Channel J and what impact it is having on engagement. Stay tuned to this channel!

2: Data-driven Performance Management

I am passionate about this topic, so allow me to elaborate on its criticality. As I have outlined, the first element of the JANA4.0 Operating Model is made of the 4 Core Building Blocks. However, if we don't have a robust performance management system, these building blocks cannot hold together to generate coherent outcomes for the enterprise. A granular, data-driven performance management system is the centripetal force that 'holds' the institution's various parts together. In the JANA4.0 framework, the performance management system plays this role – as the hub that holds the 4 building blocks together.

While good performance management systems have always been at the heart of well-run institutions, I believe that we are coming into the golden age of performance management, because of the pervasive presence of technology within enterprises. As I see it, one of the central benefits of 'digital' enterprises is in the area of performance management, because of the availability of granular data that is being generated by the increasing number of digitized workflows. It is almost like we can see ourselves living in the 'fitbit'



era of performance management, where performance data is real-time and at the individual transaction-level, thereby cumulatively adding up to very objective indicators of performance. I am not suggesting that every aspect of every individual performance can (or should) be defined and tracked in a data-driven manner, but that the share of such 'data-driven' metrics can be substantial in many roles, and a large aspect of every role.

I see this possibility of data-driven performance management not as a 'big brother' problem of greater high-command oversight, but frankly as a liberating force in multiple ways: first, to allow discussions about performance to be based around tangible data as versus subjective perceptions; second, to allow individuals to see their performance in a dynamic, continuous manner that allows for quick, micro-corrections and self-improvement; and third, to enable easy and open comparisons that bootstrap everyone to higher levels of performance. In sum, if we harness the potential of digital performance systems, we can usher in openness and transparency that can serve to reduce the massive amounts of performance-assessment politics and conflicts that all enterprises are battling with. One of the very positive consequences of this is in the nature of power within institutions – it will leak away from those who attempt to hold on to subjective, discretionary decision-making – and this is most prevalent in performance assessments.


My views on the radical possibilities of digital performance systems are not intended to suggest that there are only positive consequences. Like most powerful tools that need to be used carefully, performance management systems in digital enterprises are no different. I don't want to suggest that everyone will be happy all the time, but I do believe that conversations around performance will

be dramatically more data-driven, and this will be a net liberating force.

None of this will be easy. At Janalakshmi, given that we have the gift of building our institution with no legacy, we have the luxury of creating the plumbing of the enterprise in a manner that enables such a digital performance management system from the start. We have always embraced a robust performance management approach, adopting the Balanced Scorecard system not just for our business units and other functions, but also with individual goal sheet setting. Over the past year, we have taken this approach to a new level, going deep into the arcane issues around KPI (Key Performance Indicator) definitions, drilling down into metric detailing and distinguishing between 'higher order' metrics and 'native' metrics that come directly from source data systems, and pulling all this into a metric dictionary. In parallel, we have also gone deep into the definition of job codes, and forced ourselves to spell out clearly how we will measure the performance of every job. After several painstaking months of work cutting across multiple functions and anchored by Business Intelligence and Technology, we have created the foundation of our data architecture that can enable such a robust digital performance management system. How this impacts our overall enterprise performance and individual attitudes is still to be seen, and I will provide these updates in future reports.

3: Compelling and Authentic Brand Promise

In my update on communications last year, I wrote of the search for an authentic message that could capture what we stood for, and our promise to both customers as well as our colleagues. This resulted in the term 'Likho Apni Kahani', or 'Write your destiny'. We undertook a variety of internal communications activities to ensure that this



wasn't just a cute tagline, but represented a genuine promise that we were making. This began with senior management conducting story-telling sessions where we spoke honestly about our personal journeys, starting with me and my senior colleagues - our relationship with money, our struggles, our choices.

This has begun to percolate through the organization in a slow but steady manner. There is a growing sense that the phrase 'Likho Apni Kahani' is genuine. Over the course of the last year, we have built a range of activities and communications centred around the theme of 'Likho Apni Kahani'. I would like to highlight one such activity: the Likho Apni Kahani storytelling campaign.

We recognize that storytelling, or more powerfully, story-writing is at the heart of our promise. But it was important to focus on the context for this storytelling: for Janalakshmi, this was about two aspects: first, about taking ownership over one's life; and second, about one's relationship with money. So the stories that we want to invite people to write - JanaNayaks or customers - would be around these two themes.

As a service brand, the most authentic manner to build our brand promise was to begin with our own people: only if they believed in our promise would they transmit this to customers. Given that a majority of our JanaNayaks came from challenging social backgrounds - often with barely a high school diploma - their own life stories are very powerful and inspiring. We needed to give them a forum to share these stories, in a manner that was honest, respectful and not intimidating.

We saw that the process of storytelling was natural to Indians - we have all grown listening to stories. We also realized that invariably, these storytelling

activities had a 'sutradhar', an enabler of the storytelling process.

We decided to follow this same approach. But for a nationally distributed enterprise, with over 300 Jana Centres, a large number of regional and zonal offices, this meant addressing the logistics of a distributed storytelling campaign that was still personal and relevant to each JanaNayak.

The best way to do this was to enlist storytelling sutradhars, or 'LAK Champs', who would then travel to the far-flung reaches of the enterprise and facilitate these sessions for our JanaNayaks, in the comfort of their own local offices. We realized that this was also a powerful opportunity to also tap into the spirit of volunteerism and natural capabilities among colleagues to be such facilitators. We ran an outreach mailer campaign, asking people to write in if they were good at public speaking, if they liked getting people to tell stories - it didn't matter what job they held, be it operations or technology or finance. When we sent out the first email blast, the team expected that we would need many follow-ups, as is normal for any 'corporate communications' exercise, reminding people about the initiative. Not this one. The team got swept off its feet not just with the scale of the response, but also the passion! They needed 60-75 LAK Champs, and ended with close to 200 within the span of a week, and had to finally stop the campaign because the numbers were already too large. JanaNayak volunteers were writing in, sharing their stories of how they took ownership over their lives, made tough choices and overcame adversity. We called over 150 LAK Champs to a national workshop, to give them the training of how to facilitate these LAK sessions. People shared their personal stories to the entire group - it was intensely emotional, there wasn't a dry eye in the entire room for many of the stories. The level of

commitment to not only share, but to then take this programme to their colleagues was remarkable.

Over a 6-week period, these LAK Champs were travelling sutradhars, going to each and every single Janalakshmi office and conducting 'Likho Apni Kahani' workshops for their colleagues, in groups of 20-40 people. Each such session in turn opened up more such personal stories of courage and conviction. Things weren't smooth all the time – there were logistical snafus, collaterals sometimes didn't reach on time, cars broke down and so on, but these were trifles compared to the larger force that was being unleashed. The overwhelming response we received was that the message of 'Likho Apni Kahani' had percolated to the edges of the enterprise, touching each JanaNayak.

This is just the first step. We need to continue such initiatives with passion and purpose, if we are to convince our colleagues and our customers of our promise to invite them to write their destinies.

4: Living our Values

The last theme in the operating model is about our values and culture, not just as something we codify and put onto posters, but to actually live them. The codified values at Janalakshmi are Leadership, Empathy, Aspiration and Professionalism, all adding up to the acronym LEAP. We have undertaken initiatives to recognize and reward Value Champions in the past, but these efforts have been sporadic and soporific. Over the course of the past year, we have tried to move from explicitly talking about values, to embedding them into our way of working. An honest assessment would be that we are a long way from where we want to get to, and have a lot more work to do. Here again, the challenge is to be authentic, i.e. to be able to fulfil

on all the promises we make, and make it come alive for every one of our colleagues.

The challenge is to find the balance in seeing the glass half-full and working on improvements. The danger of being overly self-critical is the 'nirvana fallacy': to compare an imperfect current state to a superior but theoretical alternative. In an institutional context, this means that we need to acknowledge that we can never build the 'perfect enterprise', but at the same time must never be satisfied with the current state of the enterprise. In my welcome remarks to new colleagues, I make this point. I ask if any one among us is perfect – rhetorically, of course, since we all know that none of us is perfect. But if we are individually imperfect, why do we assume that a group of imperfect individuals can create a perfect institution? Just as we are each on an individual journey of improving ourselves, through commitment, discipline and determination, we must also be committed to improving the institution. This requires 'ownership', the only antidote to skepticism – the corrosive acid that undermines institutions.

In sum, our JANA4.0 Operating Model has seen much progress over the past year. We can look back with some satisfaction even as we look ahead with excitement.

Other updates

Beyond the updates on our Operating Model, I also want to write about two key areas that deserve attention.

Innovation

The first is the continuing emphasis and leadership attention on Innovation at Janalakshmi. This is a cultural foundation for us. We believe passionately



that the changing world is constantly throwing up new possibilities, and we need to constantly engage with these to find new opportunities to be relevant to our customers and add value to their lives. This requires us to constantly be allocating some critical bandwidth to innovation, to incubating new ideas, nurturing them in a challenging but secure 'innovation greenhouse' until they are ready to be rolled out across the enterprise.

Despite the challenges of the regular business on multiple fronts, we have continued to invest in our innovation work, and have several initiatives that are at various stages of incubation and trial. While I will not dwell on the specifics of these ideas, some examples of such innovation are: a daily savings offering that we have been working on for over a year now – a simple financial product, but incredibly complex when it comes to operational details, to deliver in a consistent, controlled, economically feasible manner; a property rights assessment document for slum-dwellers; a ticketing solution that can be embedded into our mainstream loan offering, a bundled phone - cum - data - plan - cum mobile wallet offering and so on.

This approach of relentless innovation ensures that we not only keep ourselves on our toes, but also stay abreast with all that is happening in the world outside, that can impact our work.

Talent

The second update is about the talent pool at the leadership level. Over the past year, we have substantially expanded our management depth at multiple levels in senior and middle management. The challenges of running and growing the enterprise cannot be met without these significant injections of outstanding talent into the organization. I am delighted to report that

Janalakshmi's management depth can match that of many mature, full-scale banks in the country and in some cases even exceed them. This is a source of major strength for us, and will be an area that we will continue to focus on: not just in bringing on board new talent, but in identifying and nurturing talent within the institution.

Beyond our own capacities, we have always held the view that we focus on our core competencies, while partnering with those who bring their unique competencies to help us fulfil our vision and mission. We have matured our engagement with Jana Urban Services for Transformation (JUST) for crucial areas of work related to financial advisory work, spatial analytics, branch design as well as the crucial work of community engagement in the grassroots. Our largest external partnerships are the ones we have with Accenture on Operations, and IBM on Technology. Both partnerships are now well-established, with deep engagement on core business activities as well as new frontiers. We are very happy with these partnerships, which not only have excellent talent at the engagement level with us, but also have strong commitment from their own firms at the senior leadership levels.

Summary and looking ahead

The most significant event of the year was RBI's grant of the in-principle license for a Small Finance Bank to Janalakshmi in October 2015 – we are only of 10 such licensees. The months since then have seen frenetic activity on the various initiatives required to transition to the bank, all this even as we run the current business with focus and control. We have established a Bank Transition Team that is made of internal talent as well as external partnerships. I am hopeful that our next year's update can provide details of the successful transition to the Small Finance Bank structure.

As we look ahead to the future, the challenges of financial inclusion continue to loom large. There have been many initiatives both from the Reserve Bank of India as well as the Government of India, and the ground for addressing our challenges of financial inclusion has never been more fertile. However, all that this has done is opened up the realm of possibilities. Converting these into real outcomes that can actually lift millions of our fellow citizens out of poverty and towards their pathways to prosperity will take enormous effort, as well as the creation of large-scale, world-class financial institutions. We are dedicated to the cause that Janalakshmi will one such institution, hopefully a shining example of what can be done. The real motivation for all of us continues to be the potential to change the arc of our nation by building a purpose-driven social enterprise.

Best Regards



Ramesh Ramanathan
Chairman



Muniyamma

Nano Loan customer

"Janalakshmi has been of great help to me in growing my business and educating my children"

Board of Directors

Ramesh Ramanathan	Chairman
Raghunath Srinivasan	Executive Vice Chairman
V. S. Radhakrishnan	Managing Director & CEO
Akhil Shriprakash Awasthi	Investor Director
Anil Rai Gupta	Investor Director
Aluri Srinivasa Rao	Alternate Director for Ling Wei Ong
Badrinarayan Pilinja (till 23-Sep-2015)	Alternate Director for Zaheer Abbas Sitabkhan
Ling Wei Ong	Investor Director
Narayan Ramachandran	Independent Director
R. Ramaseshan (joined from 25-Feb-2016)	Independent Director
Sunil Behari Mathur (till 16-Jan-2016)	Independent Director
T S Sivashankar	Investor Director
Uday Madhav Chitale	Independent Director
Vikram Gandhi	Independent Director
Vijayalatha Reddy	Independent Director
V. Narayanamurthy	Nominee Director (IDBI)
Viswanatha Prasad	Investor Director
Zaheer Abbas Sitabkhan(till 23-Sep-2015)	Investor Director

Board Committees

Audit Committee

Uday Madhav Chitale (Chairman)
Narayan Ramachandran
Puneet Bhatia
Raghunath Srinivasan
Vikram Gandhi

Asset Liability Management (ALCO) Committee

Narayan Ramachandran (Chairman)
Ramesh Ramanathan
V S Radhakrishnan
Akhil Shriprakash Awasthi
Ling Wei Ong/Aluri Srinivasa Rao
T S Sivashankar
Vikram Gandhi

Risk & Credit Committee

Vikram Gandhi (Chairman)
Ramesh Ramanathan
V S Radhakrishnan
Akhil Shriprakash Awasthi
Ling Wei Ong/Aluri Srinivasa Rao
Puneet Bhatia
Narayan Ramachandran
T S Sivashankar
Uday Madhav Chitale
Viswanatha Prasad

Nomination & Remuneration Committee

Uday Madhav Chitale (Chairman)
Akhil Shriprakash Awasthi
Ling Wei Ong/Aluri Srinivasa Rao
Vijayalatha Reddy

Corporate Social Responsibility Committee

Vijayalatha Reddy (Chairperson)
Ramesh Ramanathan
Puneet Bhatia
Vikram Gandhi

Borrowing Committee

Raghunath Srinivasan (Chairman)
Ramesh Ramanathan
V S Radhakrishnan
Narayan Ramachandran
T S Sivashankar
Vijayalatha Reddy

Management Team

Bidhan Chaudhuri	Chief Operating Officer
C. P. Rangarajan	Executive Vice President - Special Projects
Jayasheel Bhansali	Chief Financial Officer
N. S. Rajan	Executive Vice President - Audit
P.P Narayanan	CEO - Enterprise Financial Services
Puneet Narang	Chief Marketing Officer
Rahul Mallick	CEO - Retail Financial Services
Richa Saxena	Company Secretary
Santanu Mukherjee	Chief Innovation & Strategy Officer
Sumit Sharma	Chief Human Capital Officer
Statutory Auditors	Deloitte Haskins & Sells Deloitte Centre Anchorage II 100/2, Richmond Road Bengaluru – 560 025
Secretarial Auditor	Nagendra D. Rao Practising Company Secretary 543/A, 7th Main, 3rd Cross, Hanumanthanagar, Bengaluru - 560 019.
Registrar & Transfer Agents	Karvy Computershare Pvt. Ltd. 17 -24, Vithal Rao Nagar, Madhapur, Hyderabad 500 081

Lenders-Banks & Financial Institutions

Public Sector Banks

Allahabad Bank
Andhra Bank
Bank of India
Bank of Maharashtra
Bhartiya Mahila Bank
Canara Bank
Dena Bank
IDBI Bank Ltd
Indian Bank
Indian Overseas Bank
Oriental Bank of Commerce
Punjab and Sind Bank
Punjab National Bank
State Bank of Bikaner & Jaipur
State Bank of Hyderabad
State Bank of India
State Bank of Patiala
State Bank of Travancore
Syndicate Bank
UCO Bank
Union Bank of India
United Bank of India
Vijaya Bank

Private Sector Banks

Axis Bank
Catholic Syrian Bank
DCB Bank Ltd
Dhanalakshmi Bank
Federal Bank
HDFC Bank Ltd
ICICI Bank
IDFC Bank Ltd
IndusInd Bank
Karnataka Bank
Kotak Mahindra Bank
Laxmi Vilas Bank
South Indian Bank
Yes Bank

Financial Institutions

MUDRA
NABARD
SIDBI

Foreign Banks

Abu Dhabi Commercial Bank
Bank of America
BNP Paribas
Citi Bank
Credit Agricole
CTBC Bank
Doha Bank
DBS Bank Ltd.
HSBC
Societe Generale
Standard Chartered Bank
State Bank of Mauritius

Others - ECB

Corporation (OPIC)
Overseas Private Investment

NBFC

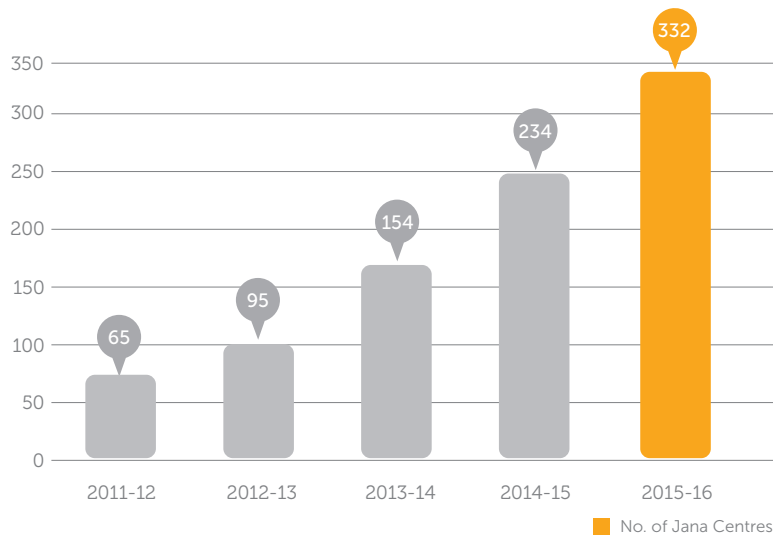
Capital First Ltd.
Family Credit Ltd (L& T Group Company)
Hero Fincorp Limited
IBM Global Finance
L & T FinCorp Ltd.
Maaneeya Holding and Investments Pvt Ltd
Tata Capital Financial Services Ltd.

Debenture Holders

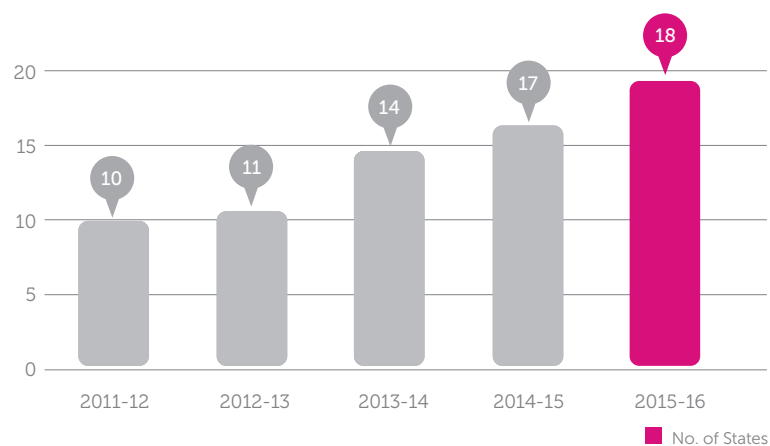
Blue Orchard
CDC Emerging Markets Limited
DHFL Pramerica MF Insurance Limited
DSP BlackRock MF
HDFC MF
ICICI Prudential MF
IDFC Bank Ltd.
IFMR Capital Finance Pvt. Ltd.
International Finance Corporation
Kotak Mahindra Old Mutual Life
Kotak Mahindra Asset Management Company Ltd.
L&T MF
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO)
responsAbility
RELIGARE Invesco MF
RELIANCE MF
SBI MF
UTI MF

Historical Trends

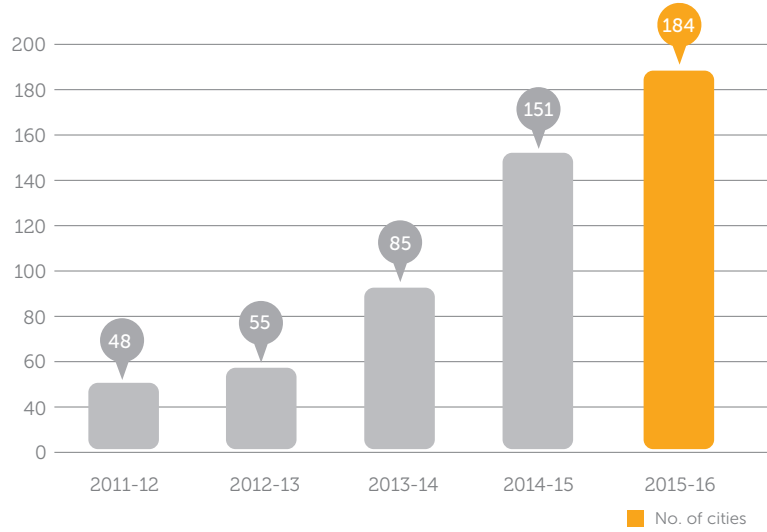
Growth of Jana Centres across the years



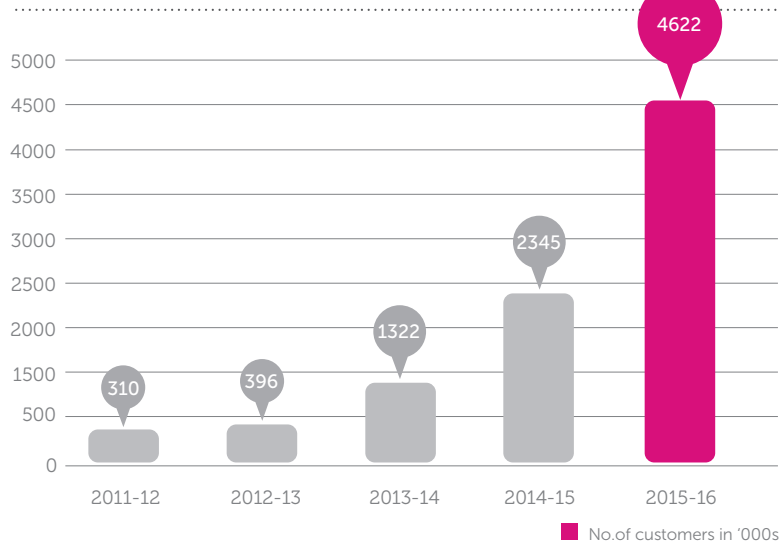
Reach of Jana Centres across states



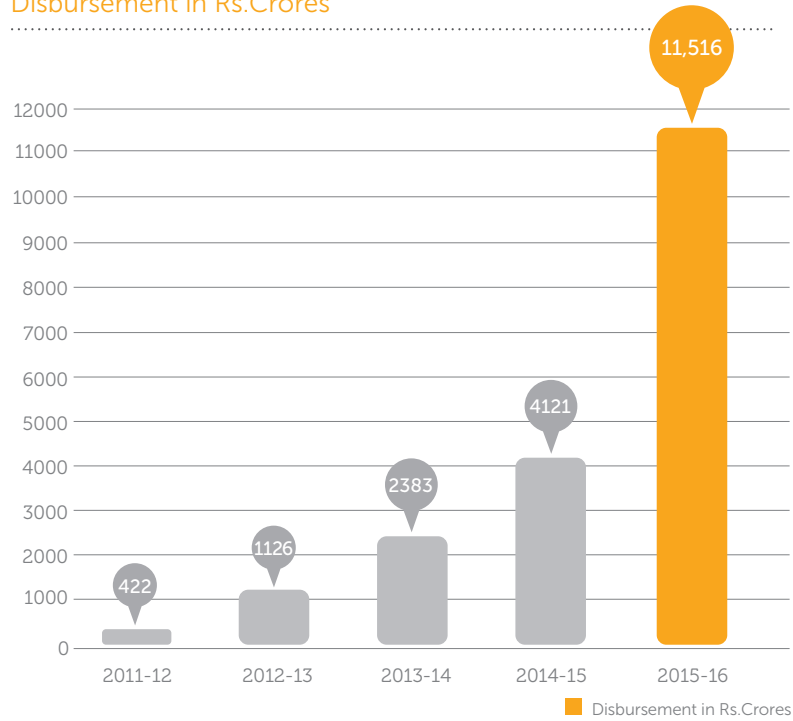
No.of cities across India



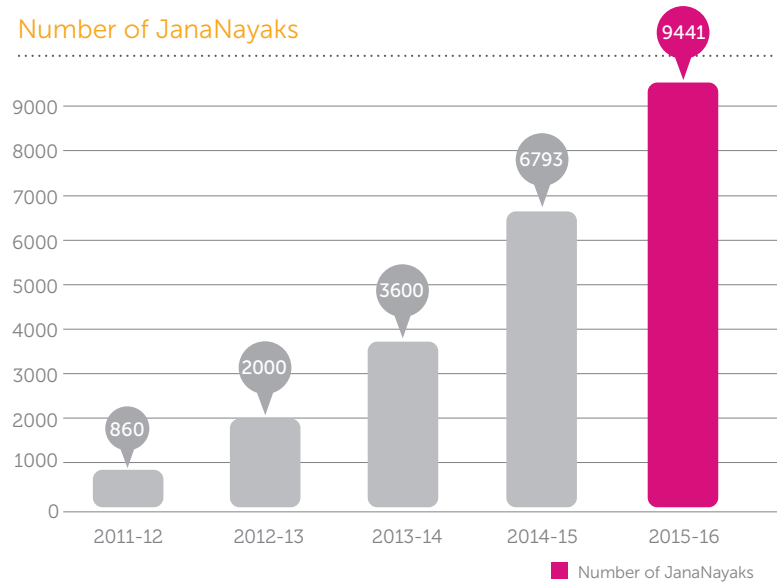
Number of customers (in '000)



Disbursement in Rs.Crores



Number of JanaNayaks



A woman with dark hair, wearing a white and pink sari, is smiling and looking towards the camera. She is standing in a living room. In the background, there is a television set on a stand, displaying a picture of a man and a woman. Above the television, there are shelves with various decorative items, including a vase with pink flowers and some framed pictures. The room has a warm, orange-toned wall.

Jabeen Taj

Nano Loan , Badthi Bachat Customer

"I used my Nano Loan to grow my fruit selling business and I am saving with Badthi Bachat for my daughter's marriage"

Our Reach

East

Assam

Guwahati
Naogaon
Rangia

Bihar

Attur
Bihar Sharif
Begusarai
Bhagalpur
Darbhanga
Gaya
Muzaffarpur
Motihari
Patna-1 Machutoli
Patna-2 Dhanapur
Patna Anishabad

Jharkhand

Bokaro
Dhanbad
Ghatshila
Hazaribagh
Jamshedpur Sakchi
Jamshedpur
Ranchi
Ranchi-2
Saraikela

Odisha

Bhuwaneshwar
Bhuwaneshwar-2
Bargarh
Bolangir
Cuttack
Khordha
Rourkela
Sambalpur

West Bengal

Amtala
Asansol
Baharampur
Baruipur
Burdwan
Durgapur
Howrah
Jadabpur
Kolkata-1 (Behla)
Kol-2 Pwd Road
Kolkata-3 Beliaghata
Kalyani
Malda
Rajarhat
Siliguri

Central

Chhattisgarh

Bhila Durg
Bilaspur
Durg
Korba
Raipur
Raipur 2
Raigarh

Madhya Pradesh

Bhopal-Bittal Market
Bhopal-Mandeep
Bhopal
Burhanpur
Dewas
Guna
Gwalior
Hoshangabad

Indore
Indore-4 Vijaynagar
Indore-5 Pithampur
Indore-6 Mhow
Indore-2-Rau Branch
Indore-3
Jabalpur
Jabalpur-2
Katni
Khandwa
Khargone
Ratlam
Sagar
Satna
Ujjain
Ujjain-2 (Mohan Nagar)
Vidisha

Maharashtra

Andheri
Akola
Ahmednagar
Aurangabad
Amravati
Ambernath
Bhandup
Barshi
Buttiburi-Nagpur
Chembur
Dombivali
Ghatkopar
Gondia
Hadapsar 2
Ichalkaranji
Ingna Road
Jalgaon

Kalmana
 Kolhapur
 Kolhapur - 2
 Latur
 Latur
 Nallasopara
 Mankapur
 Mumbai
 Mumbai-2-Thane
 Mumbai-3-Kalyan
 Malad
 Mira Bhayander
 Nagpur
 Nanded
 Nashik
 Nanded
 Osmanabad
 Palghar
 Panvel
 Pavnar
 Pune
 Pune-Ms-Hadapsar
 Pune-4-Nigadi
 Pune-3-Kalewadi
 Satara
 Samarthnagar
 Solapur
 Sion
 Shrirampur
 Sangali
 Solapur 2
 Udgir
 Virar
 Vashi
 Warje
 Yawatmal

South Head Office Bengaluru

Karnataka

Anekal
 Athyavara
 B G Road
 Belgaum
 Bijapur
 Bidar
 Bellary
 Bagalkot
 Bommanahalli
 Banaswadi
 Channadevi
 Chapparadakallu
 Chamrajanagara
 Dharwad
 Davangere
 E City
 Frazer Town
 Gulbarga
 Gulbarga
 Hassan
 Hubli
 Peenya
 K B Sandra
 K R Puram
 H S R Layout
 Hinkal – Mysore
 Jalahalli Cross
 Kengeri
 Konankunte
 Kaggadasapura
 Kadugodi
 Kamakshipalya
 Mathikere
 Malathalli
 Mysore
 Magadi Road

Maruthi Nagar
 Maralakunte
 P R Palya
 Raichur
 S.R.Nagar (Cbd)
 Shimoga
 Thanisandra
 Tumkur
 Varthur

Tamil Nadu

Attur
 Ambattur
 Alandur
 Arumbakkam
 Ayothipattinam
 Cuddalore
 Chengalpattu
 Dindigu
 Erode
 Hosur
 Kumbakonam
 Madhavaram
 Madurai
 Mandavelli
 Mint / Elephant Gate
 Nagercoil
 Narasimanayakan Palayam
 Omalur
 Pallagundanapalyam
 Punjai Puliampatti
 Pallavaram
 Poonamallee
 Pudur
 Palladam
 Padi
 Porur Efs Hub
 Porur
 Pallikaranai
 Pollachi

Perambur
Saibaba Colony
Salem
Sundarapuram
Singanallur Coimbatore
Trichy-Toll Gate
Trichy
Thiruchengode
Thanjavur
Thiruverumbur
Tirunelveli
Tendiarpet
Thiruvannamiyur
Theni
Urapakkam

Puducherry

Pondichery

North

Delhi

Delhi - Lakshmi Nagar
Del. East-Sahadhar
Del. South-Malviya Nagar
Del. Mayur Vihar
Jahangirpuri
Mangolpuri
Nareila
Uttamnagar

Punjab

Amritsar
Amritsar
Bathinda
Jalandhar
Jalandhar
Ludhiana BRS Nagar
Ludhiana
Patiala

Rajasthan

Alwar
Ajmer
Beawar
Bhilwara
Chomu
Jaipur
Jhotwara
Jodhpur
Jodhpur-2
Jobner
Kota
Udaipur
Udaipur

Uttar Pradesh

Agra (4) - Rambagh
Agra
Aligarh
Agra - Bodla
Aligarh
Agra-Tundla
Allahabad
Agra-Rajpur Chungi
Allahabad
Bulandshahr
Bareilly
Bareilly
Behat
Chhutmulpur
Deoria
Ghaziabad
Gorakhpur
Gorakhpur
Hapur
Jaunpur
Kankarkhera-3
Loni
Moradabad

Mirzapur
Mathura
Modinagar
Muzaffarnagar
Mugalsarai
Meerut
Meerut
Padrauna
Rampur
Salempur
Sarsawa
Saharanpur
Varanasi
Varanasi - Ashapur

Uttarakhand

Dehradun
Haridwar
Roorkee
Vikasnagar

West

Gujarat

Amraiwadi
Ahmedabad
Ahmedabad-2- Naroda
Ahmedabad-3-Gatlodiya
Amreli
Bhuj
Bhavnagar
Chandkheda
Dahegam
Gandhinagar
Godhra
Gotri Road
Himmatnagar
Jamnagar
Jadeshwar Baruch
Jetpur

Junagadh
Katargam - Surat
Modasa
Mehsana
Nadiad
Narol-Ahmedabad
Patan
Palanpur
Pandesara
Rajkot
Rajkot
Porbandar
Surat
Surat-2-Varacha
Surendra Nagar
Shahibaug
Vadodara
Verawal
Valsad



Sageera Banu Rahtunissa

Nano Loan Customer, Jana Champ, JanaNayak

"I have grown my business, I teach Zardosi work to other women at the Jana Pragati Centre and now I am working with Janalakshmi"

Touching customers' lives through Community Connect

Jana Pragati Centre (JPC) is an initiative of the Jana Group which was launched in 2015. The community activities which take place here distinguish these centers from the Jana Centers, our service points for financial transactions. These community activities have been carried out since June, 2014 at the Neelasandra centre by the Community Connect vertical of Jana Urban Services for Transformation (JUST), a wholly owned subsidiary of Jana Urban Foundation. As a company, we believe, "What is good for the community, is good for business." The special attribute of Community Connect is that it enables Janalakshmi to stay on top of both its priorities – the commercial as well as the social aspects of our business. Through the wide range of activities such as skills and livelihood trainings and social awareness sessions, we are able to foster a relationship with our customers that is deep and multi-faceted. At the same time our business also gets to benefit from this program as a large number of feet-on-street JanaNayaks of the company are hired through the Community Recruitment activity.

In 2015, there were two Jana Pragati Centres in Bangalore which carried out these activities, located at Neelasandra and Taverekere, respectively. Through these two centers 3,203 customers have learnt new skills and 579 customers and their family members have been employed at Janalakshmi.

Overview of Activities Carried Out at Jana Pragati Centres

1. Economic Training

Many of our customers and their family

members lack the required skills that are essential for engagement in the formal sector. In order to bridge this gap and enhance employability of our customer segment, we train them in vocational skills. Designing mehendi or henna, making paper jewellery and dolls, embroidery are examples of the types of training provided. We partner with reputable agencies to deliver these trainings.

2. Community Recruitment

Our customer base serves as a great pool of human resources. Through Community Recruitment we identify new JanaNayaks for jobs at Janalakshmi. As JanaNayaks, our customers get an opportunity to learn about technology, systems and processes, apart from receiving a decent remuneration.

3. Social Awareness

This platform spreads awareness to women, young adults and children on hygiene, health and diet, sexual abuse, domestic violence, parental care, behavioural changes in adolescents, drug and alcohol abuse, waste management, fire safety, etc. Capacity building of our customers through group discussions and dialogue can lead to gender equality within their homes. Partners with reputable experts deliver Social Awareness sessions.

4. Jana Champions

We want the Jana Pragati Centres to be driven by our customers. We have, therefore, adopted a participatory approach wherein we encourage the more entrepreneurial and enthusiastic ones amongst our customers to



volunteer to popularise and design these activities within their community. These Jana Champions help us spread information, mobilise participants and engage themselves through planning, implementation and monitoring of the activities.

A unique example of their engagement at the JPCs is the Summer Camp Program, which was organized for the first time for the children of our customers. From the ideation stage up to the execution of the program, our Jana Champions took complete ownership of the event. They felt the summer holidays would be a good time for the children to engage in various kinds of extra-curricular activities and to spend their leisure time in a constructive manner. A total of 79 children participated in the first summer camp, making the programme a huge success!

Customer Speak

"JPC is the only place other than my home where I feel safe" - **Jyothi**

"I want self-defense to cut across class and caste hierarchies"- **Reena Justin (Jana Champion and Karate Instructor)**

Kanthamma's daughter Kavya attended the summer camp, considers the programme to be a boon for the children

Dorthy is very excited to see her two sons Yohan and Abhishek lose their stage fear through the dramatics lessons

Products and Services

Retail Financial Services is divided into Retail Assets,
Retail Savings (Liabilities) Products and Insurance Products



1 Retail Assets

Small Batch Loan

Small Batch Loans is our primary product through which we meet the credit needs of several lakhs of underserved households. A small batch loan is provided to individuals in a group comprising a minimum of five and a maximum of 25 women, where each guarantees the other. After completion of each, a customer can borrow the same amount or move to the next level. The loan amount ranges from Rs. 15,000 to Rs. 50,000.

JFS employs technology led solutions such as Aadhar enabled biometric front-end, Salesforce CRM platform, Core Banking system and pre-paid cards to service customers in an efficient and cost-effective manner.

Jana Vidya (Education Loan)

The education loan product is designed to fund the school-going child's tuition fee; admission fee, exam and library fees, purchase of text books, uniforms and other school-related material. This product is offered to all existing small batch loan members and ranges from Rs. 5000 up to Rs. 50,000 for a period of up to 12 months.

Housing Loan

Janalakshmi's housing loan is intended to finance purchase of dwelling units in the affordable housing segment, primarily in the EWS and LIG category for both salaried and self-employed customers. It is primarily designed for the customers in the informal income category who are buying a house for self-dwelling. The housing loans are disseminated through tie ups with developers of affordable housing projects as well as state housing boards, the loan amount ranges from Rs.1 lac to Rs. 20 lacs

Home Improvement Loan

Many of our customers construct homes slowly and 'incrementally' over time, in keeping with their needs and the availability of resources. The home improvement loan speeds up this process of minor improvements, extensions, repairs and renovations. The Home Improvement Loan is offered to customers with a proven credit history after they have completed two years in a small batch loan structure. The loan quantum ranges from Rs. 50,000 to Rs. 1, 25,000 for tenure of up to 36 months.

Nano Loans

Nano Loan is our individual business loan offering, which allows budding entrepreneurs to finance working capital and to invest in equipment. The Nano loan is offered to customers with a proven credit history after they have completed two years in a small batch loan structure. The loan quantum ranges from Rs. 60,000 to Rs. 2, 00,000 for tenure of up to 36 months.

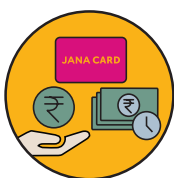
Jana Patra Loans

Jana Patra is a unique urban slum property title scoring which uses a set of proxy variables to assess the 'extent of legality' of slum property title documents. The Jana Patra Certificate has three rating categories- Diamond, Gold, Silver & Bronze. This Jana Patra Certificate is the basis of the Jana Patra Loan. Depending on the certificate

rating, the Jana Patra Loan is offered to both open market customers as well as existing JFS customers. The loan quantum ranges up to Rs.3,00,000, Rs.5,00,000 & Rs.10,00,000 for Silver, Gold & Diamond Categories respectively for a tenure up to 15 years.

Jana Kisan Loan

A small batch loan is provided to individuals in a group comprising a minimum of four and a maximum of 10 engaged in Agricultural activity residing in the same village, where each guarantees the other. After completion of each, a customer can borrow the same amount or move to the next level. The loan amount is minimum 25,000 and maximum 60,000 for the first loan cycle. The loan tenor is of 24 months. The product has two variants – Dairy and Mixed farming aimed to cater to all kinds of farmers and their specific monetary needs.



2. Retail Liabilities Products

Micro Pension

Micro pension is a long term savings product which enables customers in the informal income segment to save for their old age. Janalakshmi has partnered with Invest India Micro Pension Services (IIMPS) to enable customers to contribute towards the UTI- Retirement Benefit Pension Fund. Under this scheme customers can save Rs. 100, Rs. 200 or Rs. 500 every month.

DCB Jana Cash Card

The DCB Jana Cash co-branded Prepaid Cards is issued based on an agreement between DCB & Jana Urban Foundation. These are "open-loop" pre paid cards.

The initial load on the card is the disbursement of the microfinance loan by Janalakshmi Financial Services to their customers. Incremental loads are by way of customer reloads.

Card kit also contains the PIN required for usage of card in the ATM & POS.

Badhti Bachat (BB)

Badhti Bachat is a robust goal-based savings plan aimed at inculcating the habit of saving among those (in the unorganised sector) who do not have access to traditional savings products. Our team helps customers to define short-term goals and save for these in a systematic way. These goals include saving for a daughter's wedding, children's' education, a family function, purchase of property, or money for a small business expansion. The product is designed for ease and

convenience and to suit the needs of a wide variety of people: from small businessmen and traders to daily wage earners and housewives.

The main features of Badhti Bachat are

- Doorstep collection
- Goal Setting for customer
- Weekly or daily saving
- Safe and Secure Deposit
- Flat collection fee irrespective of the amount being deposited



3. Insurance Products

Life Insurance For Loans

This product secures the lives of the loan customers during the term of the loan.

The coverage is against death due to natural or accidental reasons during the period of loan. This is compulsory for all borrowers and co borrowers who have availed of any loan product from Janalakshmi. The insurance amount received is equal (or more than loan amount in some cases) to the loan amount, which means it pays off the outstanding balance and also provides the remaining amount to the borrower's family. These insurance products are provided in partnership with

Bajaj Allianz Life Insurance Company, HDFC Life Insurance and Kotak Life Insurance.

JFS is the Master Policy Holder and loan customers are enrolled as members of the Master policy.

Property Insurance For Housing Loans

Royal Sundaram Alliance (RSA) provides group property insurance plan for customers of Janalakshmi housing finance product. All housing loan customers of Janalakshmi are required to participate in this group property insurance plan. A one-time premium is routed through Janalakshmi to RSA. The term of insurance is up to 20 years.

Livestock Insurance For Livestock Loans

Maintaining livestock as a productive economic activity can often be a heavy financial burden for families. Cattle also tend to be associated with high mortality rates. In case an animal dies, livestock insurance (for a livestock loan) secures the loan. The claim amount pays off the outstanding balance and also provides some extra funds, which can partly offset the cost of purchasing a second animal. This insurance product is offered, with simplified processes, in partnership with Royal Sundaram Alliance Insurance Company.

Commercial Insurance (Fire And Burglary)

To provide an Insurance Cover to Small and Medium enterprise (building, machinery and stock) of our enterprise customers, JFS offers Commercial Insurance in partnership with Royal Sundaram Alliance Insurance Company to its EFS customers. The cover is provided against Fire, Burglary, Flood etc. It is not mandatory for customers to take Commercial Insurance through JFS. However, the property should be insured before the loan is disbursed. No addition fee is charged from customers for enrolling into this scheme. This insurance product is offered, with simplified processes, in partnership with Royal Sundaram Alliance Insurance Company.

Enterprise Financial Services

Currently, we extend five types of loans to qualifying MSMEs:

Micro Small Medium Enterprises: Under Micro Small & Medium Enterprises (MSME) loan we have Working capital demand loans with 12 months to

36 month tenors. In case of composite loans, both for working capital and equipment purchase. It may go up from 48 to 60 months and term loans with 36 months to 60 month tenors. Typical loan ticket sizes range from Rs. 200,000 to Rs. 1,000,000.

Long Term Business Loan: we provide Long term business loan (LTBL), loans ranging from Rs. 500,000 to Rs. 5,000,000 for period upto 10 years and are given for long term business requirement of the firms, like expansion of business, additional construction, long term capital infusion to strengthen promoter's margin requirements, acquisition of new assets, etc. The underlying security would be the self occupied property of the applicant.

Machinery Loan: Under Machinery Loan we provide loan to customers to acquire machinery for their business. We provide Machinery loan (ML) period ranging from 12 to 60 months. Typical loan ticket size upto Rs. 2,500,000

Business First Loan: In view to support the financially excluded segment who are aspiring to grow their businesses, we have introduced the product "Business First Loan". The Product is bundled along with the Badhti Bachat product. The Loan ticket size ranges from Rs. 100,000 to Rs. 1,000,000 and Loan tenor is up to 40 months. The repayment mode is cash collection on a daily basis.

Jana Patra Business Loan: Jana Patra Business loans are lent based on the JP certification/ rating to both our existing as well as open market customers. JP certificate is provided based on the analysis of house documents provided by the borrowers such as Diamond/ Gold/ Silver. The Loan is provided to meet the business requirement of the customer against the residential property owned by the customer or the guarantor. The Loan ticket size ranges from Rs. 300,000 to Rs. 1,000,000 and tenor can be upto 5 years.

Munikadiramma

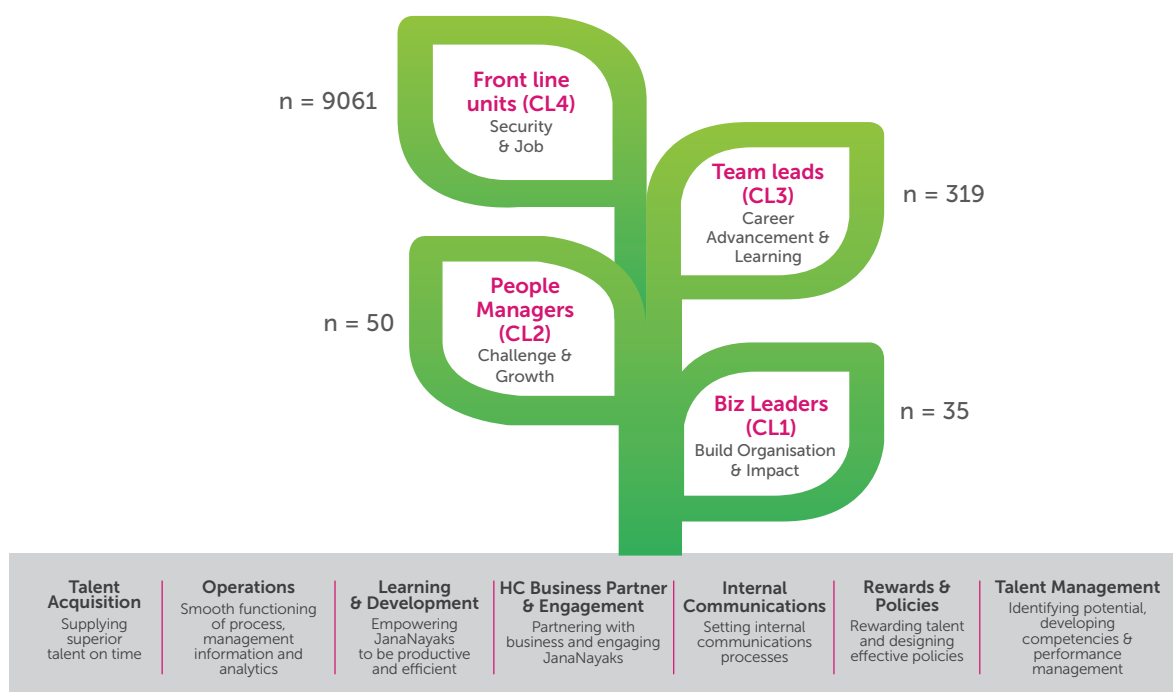
Nano Loan Customer

"My shop now has more items to sell
and I now make more money"



Human Capital

Building the Human Capital Function



2015 has been a marquee year for JFS. We received in-principle approval from the RBI to start a small finance bank, which promises to be a significant catalyst to our already fast-paced growth. We opened 97 Jana Centres, taking our total number of Jana Centres to 332. Janalakshmi is now present in 184 cities, up from 151 cities a year ago. The organisation has over 10,000 JanaNayaks, representing a 100% increase over last year.

The Human Capital (HC) function has grown from a team of 57 a year ago, to 123 across all zones. The function now has seven verticals; Talent Acquisition, Operations, HC Business Partner &

Engagement, Learning & Development, Rewards & Policies, Talent Management and Internal Communications, that are dedicated to the holistic development of a JanaNayak from the time he/she joins the organisation.

There is an increased focus on recruitment to keep pace with the rapid growth of the microfinance business and to prepare for the bank transition. Crafting the organisational design of the bank, hiring and training of the new hires were a priority for the HC team. Hiring of Management Trainees (MTs) and Executive Trainees (ETs) from premier business schools and professional institutions.

increased significantly to serve as a continuous talent pipeline for business requirements at the Head Office and the zones and to cater to our expansion needs. 219 MTs were hired in 2016-17, up from 58 MTs in 2015-16, and 553 ETs joined JFS in 2016-17, up from 329 in 2015-16.

In October 2015, we launched the Flexible Benefit Plan, a tax-friendly compensation structure for JanaNayaks. A performance management and promotion policy was launched to build and develop JanaNayaks' skills and to prepare them for new opportunities in the bank.

Leadership and developmental programs continue to be held across zones to nurture the talent pool and train them for future leadership roles. Internal Job Postings were launched in October 2015 to encourage JanaNayaks to take charge of their careers with cross-functional role opportunities.

A comprehensive JanaNayak engagement survey, Speak Up, was conducted in November 2015 to seek JanaNayaks' views on what they like about the organisation and the changes they would like to see. Speak Up was designed as an online survey and was managed by AON Hewitt, a renowned Human Capital consulting firm. All survey responses were strictly anonymous. JFS's overall engagement scores were at 69%, in line with the industry average of 72%.

With the launch of the small finance bank, the year ahead promises to be exciting and challenging for the HC team. The focus will be to build on our existing framework and enhance capability to get large numbers in the organisation effectively, and up to speed quickly, including transition to the small finance bank.

Janalakshmi gets an in-principle approval to set up a Small Finance Bank

Janalakshmi has focused on servicing the needs of the urban poor and related rural areas. This customer, the urban poor is one who may not be below the poverty line, but has severe problems in accessing formal financial services.

We at Janalakshmi, have always believed in harnessing the power of market forces to help transform India and empowering this customer. Today we are poised to take a leap that will help us do more for many more.

Janalakshmi has been a customer centric institution with the Customer at the centre of

decision making process. Tomorrow as Janalakshmi Financial Services evolves into Janalakshmi Small Finance Bank, the underserved society will have an opportunity to upgrade to the world of formal banking; access to Government subsidies, General and Life Insurance, learn and follow with ease the principles of goal based savings. Over a period of time these customers will also benefit from access to Mutual Funds, Insurance products and evolve their savings to investments.

Board's Report

To the Members,

The Directors have pleasure in presenting to you the Tenth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016.

1. Financial Summary/Highlights, Operations, State of Affairs:

Rupees

Particulars	FY 2015-2016	FY 2014-2015
Gross Income	17,845,446,896	7,570,056,330
Profit Before Interest and Depreciation	10,286,502,815	4,458,767,751
Finance Charges	7,550,993,729	3,225,219,194
Gross Profit	2,735,509,087	1,233,548,557
Depreciation	353,445,481	162,097,504
Profit Before Tax	2,382,063,606	1,071,451,053
Exceptional Items		13,504,934
Profit Before Exceptional Items and Tax	2,382,063,606	1,084,955,987
Provision for Tax Net of Deferred Tax	779,175,629	330,846,763
Profit After Tax	1,602,887,977	754,109,224
Profit brought forward from the previous year	823,893,157	334,861,856
Profit available for appropriation	2,426,781,134	1,088,971,080
Proposed Dividend		
Preference Shares	1,210	840
Equity Shares	43,162,400	32,371,710
Tax on Dividend	8,787,095	6,472,606
Transfer to Statutory Reserve	320,577,595	150,821,845
Transfer to General Reserve		75,410,922
Surplus carried to the Balance Sheet	2,054,252,833	823,893,157

Note: - Previous year's figures have been restated wherever necessary, to align with current year's presentation.

2. General information about the company, the board's perception of the future considering market competition, production constraints and government policies etc.

Management Discussion & Analysis Macro- Economic Environment

Macro-economic indicators for the year have trended positively.

India's GDP growth for FY 2015-16 is expected to have increased to 7.6% from 7.2% in FY 2014-15 (as per Central Statistical Organization's advance estimates). This is expected to have been led by private consumption demand (primarily urban) and gross fixed capital formation. On the sectoral front, growth was led by manufacturing, agriculture and allied activities. Inflation continued to moderate. The average CPI inflation in FY 2015-16 decelerated to 4.9% from 6.0% in FY 2014-15, which was primarily aided by a sharp drop in crude oil prices.

Current account deficit is expected to remain well within a comfort level ranging between 1.0-1.5% of the GDP. Against the background of global uncertainties, foreign exchange reserves of USD 356 Billion (end March 2016) and robust net FDI inflows (USD 34 Billion between Apr-Feb FY 2015-16) were noteworthy developments (as per the Economic Survey presented by the Finance Minister in February 2016).

During the financial year the Reserve Bank of India (RBI) announced two rate cuts to reduce the repo rate to 6.75%. In April 2016 the repo rate was further reduced to 6.50% to reflect a fall in commodity prices being offset by a rise in the real

interest rates. New borrowers can expect to benefit from the rate cuts, as lending based on the Marginal Cost of Lending Rate (MCLR) was made effective from April 1, 2016. Experts believe that this would facilitate superior transmission of interest rate reductions to borrowers.

Financial inclusion continues to be a priority of the Government. Several key initiatives to further financial inclusion have gathered momentum during the year.

Pradhan Mantri Jan Dhan Yojana

As of 25th May 2016, 21.93 crore bank accounts had been opened (13.47 crore accounts in rural areas and 8.46 crore accounts in urban areas) under the Pradhan Mantri Jan Dhan Yojana. The outstanding balance in these accounts as on that date was Rs. 38, 047 crores. Accounts with zero balance have dropped, signalling effective mobilization of depositors' idle savings. This augurs well for the financial inclusion initiative in India, as more people are being brought within the fold of mainstream finance.

Key Statistics (Source: Pradhan Mantri Jan Dhan Yojana Website (<http://www.pmjdy.gov.in/account>))

(All figures in Crores)

Bank Name	Rural	Urban	Total	Balance in Accounts (in Rs. Crores)
Public Sector Bank	9.63	7.60	17.23	29,961
Regional Rural Bank	3.34	0.55	3.88	6,671
Private Banks	0.50	0.31	0.81	1,415
Total	13.47	8.46	21.93	38,047

Pradhan Mantri Mudra Yojana (PMMY)

Under the Pradhan Mantri Mudra Yojana, the Micro Units Development and Refinance Agency (MUDRA) would be set up as a bank through an enactment of the Parliament. In the interim, MUDRA would be a unit of the SIDBI, with a Credit Guarantee fund created specifically for MUDRA loans. This is expected to bring about uniformity in regulations for all MFI entities and refinancing at a lower cost.

The total disbursement during the year was Rs. 132,955 crores under the Pradhan Mantri Mudra Yojana (PMMY), with emphasis on providing financial support to women entrepreneurs. Figures indicate 2.76 crore women were funded through the scheme (79% of total).

Source: Mudra Website

<http://www.mudra.org.in/Home/ShowPDF>

Securitisation

The SEBI announced introduction of a new securitization platform to facilitate easier trading and maintenance of a central data repository of market participants to revive the securitisation market. The Union Budget presented in 2016 exempted income distributed on or after June 1, 2016 from distribution tax. The budget also

allowed Foreign Portfolio Investors (FPIs) to invest in Pass Through Certificates (PTCs).

As a result, issuance volume of rated transactions in the Indian securitisation market grew by 45% over the previous fiscal to around Rs. 25,000 crore in FY 2016, a reversal of the past three years' trend. This was entirely due to Asset-Backed Securitisation (ABS) transactions, which rose by 39% in the number of transactions and by 51% in the volume of transactions, when compared to the previous year.

In FY 2016, private sector banks and foreign banks continued to be the key investors in the securitisation market, mainly driven by priority sector lending (PSL) obligations. The share of MFIs in this market was significant in FY 2015-16 (MFIs contributed to 36% of transactions (216) and 45% of value (Rs. 24,955 crores)

Payments

The RBI granted a Payment Bank license to 11 entities including Airtel, Reliance, Vodafone, Paytm, Aditya Birla Nuvo amongst others. A payment bank is a differentiated bank whose activities would include acceptance of deposits, payments and remittance services, internet banking and would function as a business correspondent of other banks. Payment banks are

not allowed to offer loans, but can raise deposits of up to Rs.1,00,000 and pay interest on these balances. This is likely to usher in an era where millions of unbanked Indians would be brought within the fold of formal banking.

India Post, which is one of the 11 licensees approved by the RBI, is expected to launch its payments bank by March 2017. As on the date of this announcement in April 2016, a total of 20,494 post offices have been brought under the core banking system. The bank, which would be named as India Post Payments Bank (IPPB), would facilitate payments of central and state governments, municipal dues, and fees of various education institutions, etc.

The National Payments Corporation of India (NPCI) launched a Unified Payments Interface (UPI) on April 13, 2016. The UPI as a channel would combine multiple bank accounts into one mobile application of a participating bank. This app can then be used as a single source for accessing different bank accounts of a customer and would enable payment of expenses.

This is a radical step forward that could help take financial inclusion to a new level by making many retail transactions unprecedentedly easy. If it works as envisaged, it will radically simplify micro-payments. Any individual with a smartphone, an Aadhaar number and a bank account can download the UPI app and create an account with a unique "virtual UPI ID" associated with that bank account. The virtual ID could be used to transfer or receive cash from any other UPI ID. No other information would have to be exchanged to enable the transaction. All necessary details for reconciliation would be handled by the NPCI, which would ensure that the amount to be transferred is debited from the

correct bank account and credited to the correct bank account. Since every commercial bank is an NPCI member, this would radically speed up transfers involving accounts in two different banks.

Once the UPI becomes operational across the entire banking system, it would simplify and speed up processes to a very large extent. It would also provide comfort for users since there would be no need to share sensitive details like the Permanent Account Number of the Income Tax department to enable a UPI transaction. Thus, the need to carry large sums of cash or risk credit-card theft would be obviated, and cash transactions can be managed very easily.

The system runs on an Immediate Payments Service (IMPS) platform, thereby making the service available at all times and places.

(Ref: biometricupdate.com, 13 April, 2016).

Microfinance Industry - Key Highlights And Developments

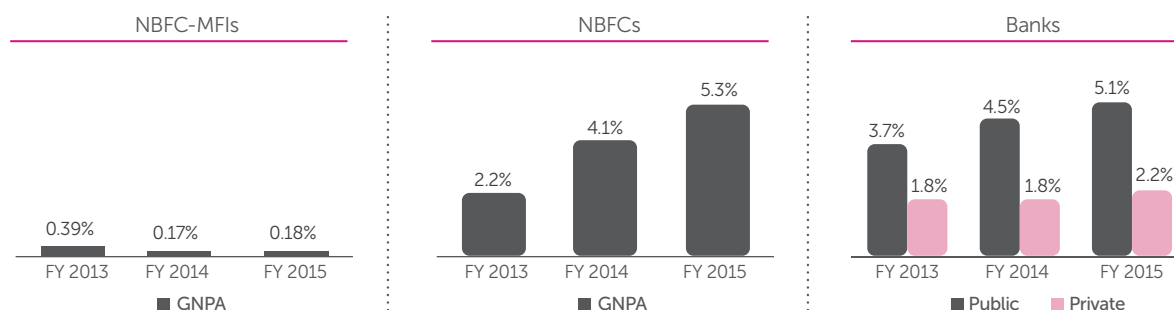
The Microfinance industry witnessed significant growth in terms of market penetration and disbursement of loans during FY 2015-16.

Key indicators show a significant YOY growth in FY 2015-16 vs. FY 2014-15.

Particulars	FY 2014-15	FY 2015-16	% increase over PY
Disbursements (in Rs. crore)	37,599	61,860	65%
Gross Loan Portfolio (in Rs. crore)	28,940	53,233	84%
No. of clients (crores)	2.26	3.25	44%
No. of employees	64,058	87,402	36%
No. of branches	7,934	9,669	22%
Employee Productivity (No. of clients)	353	372	5%

(Source: MFIN Report-Micrometer Issue 17-Dated 31st March 2016)

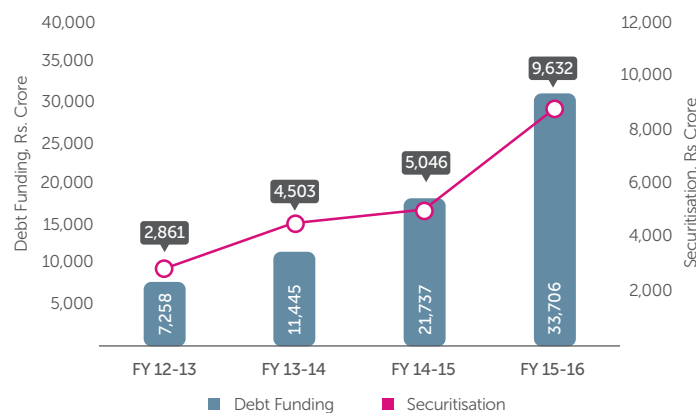
The significant increase in volumes was not at the cost of asset quality. MFIs exhibited a better asset quality as against NBFCs and Banks, with the industry level PAR below 1% (0.64%). The Joint Lending Group model operated by MFIs creates a strong social contract between members of the group, resulting in low delinquencies and bad debts.



(As of Dec'15, Source: MFIN India Ratings Research and India Banks Association)

Fund flow to the sector continued to remain strong and overall funding mix was diversified. On the debt side, MFIs diversified their funding profile by raising funds from debt market and banks. During the FY 2015-16, MFI Industry received a total debt funding of Rs. 33,706 crores (55% increase YOY) from various banks and financial institutions. Securitization as source of funding also witnessed a significant increase (91% increase YOY).

Debt Funding and Securitisation (Annual, Rs. Crore)



Significant Developments impacting Microfinance Industry – Small Finance Banks (SFBs)

To widen the financial inclusion agenda and ensure that millions of unbanked Indians get access to basic banking services, the RBI on 16 September 2015, granted an "in principle" approval to 10 applicants to convert themselves into a 'Small Finance Bank' (SFB). The SFBs will be subject to all prudential norms and regulations of the RBI as applicable to existing commercial banks, including maintenance of CRR and SLR. In addition certain salient regulatory guidelines apply, namely,

- 1) Approval of the RBI would be required for branch expansion for the first 5 years;
- 2) At least 25% of the branches should be in unbanked rural centres;
- 3) At least 50% of loan portfolio shall be loans and advances of size up to Rs. 25 lakh
- 4) Priority Sector Lending for a Small Finance Bank shall be 75% of the Adjusted Net Bank Credit (ANBC), as compared to 40% for Domestic Scheduled Commercial banks.

Janalakshmi Financial Services (JFS) was one among the 10 applicants to receive an in-principle approval for being converted into a Small Finance Bank. The Company is in process of transition to a Small Finance Bank.

Janalakshmi Financial Services (JFS)

JFS vision is an India where the promise of prosperity touches every Indian.

JFS is the largest and one of the fastest growing MFIs in India serving the urban underserved. This is the only MFI in India operating with a unique two-tier structure with the deliberate intent of keeping the social spirit intact, even as we look to harness market forces to address a large social challenge. The two-tiered structure comprises a Non-profit Section 8 Company; Jana Foundation which holds the promoter's shares and the for-profit Janalakshmi Financial Services (JFS), which is the operating financial services institution, run as an NBFC-MFI.

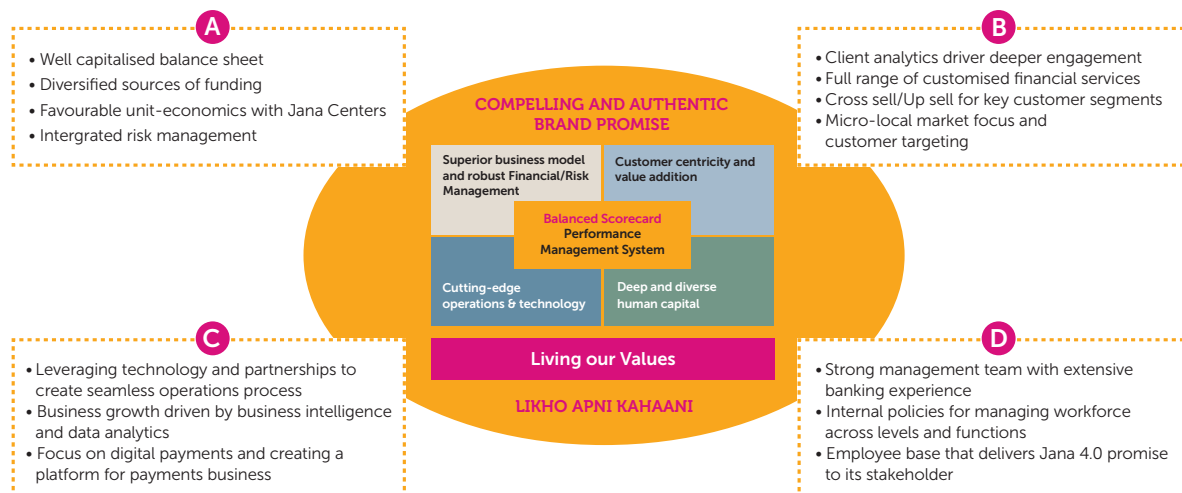
JFS caters to the 'lower half of the pyramid' of retail / enterprise segments that are not covered by mainstream financial institutions, and takes a strong customer value driven approach in designing financial products and services, using technology and processes as the foundation to

create scale without any dilution of control or risk management.

Janalakshmi has a well-articulated 'Operating Model' that translates strategic intent to operating results. This Operating Model has evolved over the years, with each phase being labelled JANA1.0, JANA2.0 and so forth. Currently, JFS's Operating Model is called JANA4.0. As the name suggests, there are 4 components to the JANA4.0 Operating Model:

1. Core Building Blocks: This is the core of the Operating Model, and in turn has 4 aspects:

- Superior Business Model and Robust Risk Management
- Strong Customer Focus and Value Addition
- Cutting-Edge Operations and Technology
- Deep and Diverse Human Capital



1a: Financial and Risk Management

Operational & Financial Highlights

JFS registered a strong financial year backed up by robust portfolio growth, diversified income streams and a marked improvement in the portfolio quality. This has also been a year in which significant investment has been made in laying the foundation for a large, diversified and customer centric Small Finance Bank.

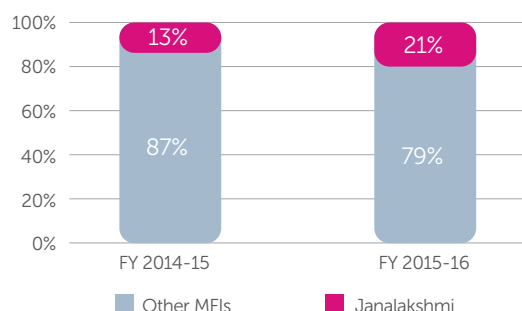
During the year, the JFS footprint continued to expand across the country.

Operating Highlights	FY 2014-15	FY 2015-16
States	17	18
Cities	151	184
Jana Centres	234	332
Customers	2,344,162	4,622,578
JanaNayaks	6,793	9,441
Disbursement for the year (Rs.Crores)	4,121	11,516
Gross Loan Portfolio (GLP)*	3,763	10,988

*GLP includes securitised portfolio amounting to Rs.1,915 crores (Previous Year-Rs. 104 Crores).

During the year, JFS further consolidated its market presence and emerged as the largest NBFC-MFI in the country.

Gross Loan Portfolio-Market share



Source Micrometer Issue 17 – It may be noted that data relating to Bandhan Bank has not been included in the above after it was converted into a bank in Aug'15. Data relating to Satin & Ujjivan relate to Q3 and Q2 FY 2015-16 only.

Summary Financials and Key Performance Indicators

Financials (In Rs. Crores)	FY 2014-2015	FY 2015-2016	% Growth over Previous Year
Gross Interest Income	640	1,505	135%
Cost of Borrowings	323	755	134%
Net Interest Income	317	750	137%
Fee Income	73	200	174%
Other Income	44	79	80%
Total Gross Income	757	1,784	136%
Total Revenue (Net of Finance Cost)	434	1,029	137%
Operational Expenses	301	696	131%
Credit Costs	26	95	265%
Profit Before Tax	108	238	120%
Tax Amount	33	78	136%
Profit After Tax	75	160	113%

Key Financial Indicators

Key Financial Ratios	FY 2014-15	FY 2015-16
CAR	27.99%	17.35%
ROA	2.00%	1.95%
ROAE ~	9.45%	13.70%
Cost to Income Ratio	69.35%	67.63%
Gross NPA	0.73%	0.21%
Net NPA	0.49%	0.13%
Bank Borrowings/ Net Worth	2.75	5.13
Debt / Equity Ratio	3.46	7.70

CAR and Debt Equity Ratio

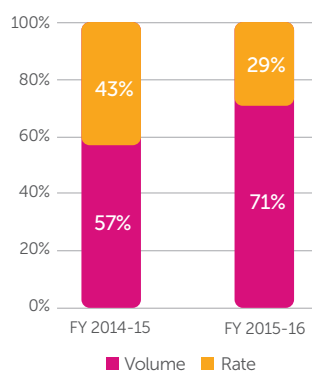
JFS has a well-capitalised balance sheet with the demonstrated ability to raise capital. JFS ended FY 2015-16 with a healthy CAR of 17.35%, well above the regulatory minimum of 15%. In April 2016, a further Rs. 1000 Crores has been infused as capital albeit with a slight delay.

The debt equity ratio increased in FY 2016 to 7.70. However, during the year subordinated debt to the tune of Rs. 600 Crores was raised to support liquidity requirements. Normalising for sub-ordinated debt as equity and the short term excess liquidity at the end of the year, would further strengthen the debt equity ratio to 4.24.

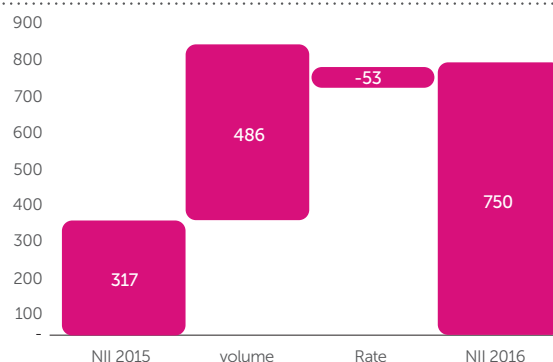
Revenue Analysis

Particulars	FY 2014-15	FY 2015-16
Net Interest Income Analysis		
Average Portfolio (Rs. Crores)	2,914	7,378
Yield - Average Portfolio	21.96%	20.40%
Interest Cost - Average Portfolio	11.08%	10.23%
NIM	10.88%	10.16%
Fee Income Analysis		
Total Fee Earned (Rs. Crores)	76	211
No. of Customers added	1,992,544	3,885,922

Fee Income Analysis



Net Interest Margin Analysis



Note: RBI has stipulated a cap of 10% margin on the industry which led to a reduction of the NIM (Net Interest Margin) on a YOY basis.

{The NIM calculation is based on an overall average portfolio. It includes items (listed below) which are allowed as exclusions in the Margin Cap computation.*}

- 1) Stamp charges incurred during the year.
- 2) Service Tax on Processing Fees and Loan Arrangements
- 3) FD Interest and Margin Money.}

*Excluding the items JFS was compliant with Margin Cap requirements.

Reduction in the borrowing costs was passed on to customers by JFS, by reducing the interest rates on 'Small Batch Loans'. (24.22% to 23.72% in Mar'15 and further reduction to 23.26% in Mar'16)

FY 2015-16 witnessed further deepening and diversity in the income streams of JFS. There was a significant increase across all fee income lines. Investment income, micro pensions, etc., also increased.

Costs:

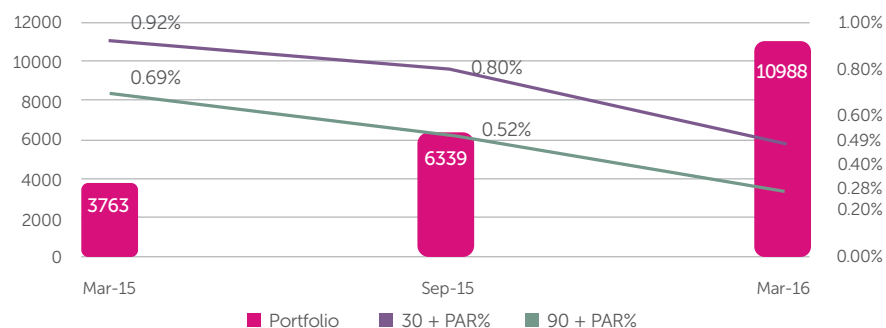
The Cost Income Ratio improved from 69.35% in 2014-15 to 67.63% in 2015-16. The increase in business volume was not at the cost of operating efficiency. RBI guidelines allowing an increase in the loan ticket size translated into significant productivity gains with GLP per employee increasing from Rs. 58.8 lakhs to Rs. 1.20 crores resulting in cost savings. On the operating side, the post logging processing turnaround time reduced almost by a day to 1.9 days. Savings in resources due to productivity gains and operating efficiencies were deployed to achieve growth and invest for the future with substantial investments being made in technology, bank transformation and EFS business.

Managing sound asset quality with strong business growth:

The Risk Management Philosophy (detailed later) put in place has been validated by a marked improvement in the overall credit quality. Despite witnessing a 166% growth in the portfolio in 2015-16, the Portfolio at Risk (PAR)* including the amount written off reduced from 1.45% in FY'15 to 1.20% in FY'16.

PAR % with Write-Off*	FY 2014-15	FY 2015-16
Small Batch	0.84%	0.63%
EFS	7.00%	12.80%
Nano	5.81%	3.64%
Total	1.45%	1.20%

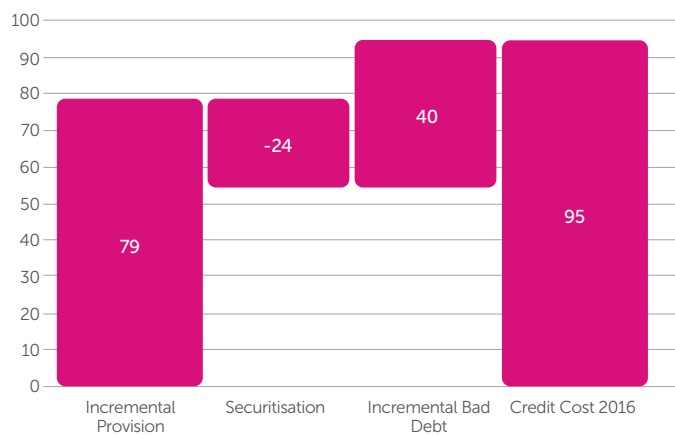
Managing sound asset quality with strong business growth



Credit Costs

Particulars (Rs. Crore)	2014-15(A) Portfolio for FY	2015-16(B) Portfolio for FY	Incremental Portfolio (C=B-A)	Incremental Provision (D)	Securitized Portfolio	Provision on Securitized portfolio (E)	Net Provision (F=D-E)	Bad Debt (G)	Credit cost (F+G)
SB	3,373	10,213	6,840	68	2,532	24	44	21	65
Nano	90	354	264	3	0	0	3	4	7
EFS	300	421	121	8	0	0	8	15	23
Total	3,763	10,988	7,225	79	2,532	24	55	40	95

Credit Cost for FY 2015-16 (Rs.Crores)



Overall delinquencies improved during the year, with 30+ delinquency improving from 0.83% to 0.49%. The small batch portfolio had a 30+% delinquency at 0.21% (down from 0.38% in April 15). Similarly, the Nano portfolio also had a healthy 30+% delinquency at 1.07% (down from 3.84% in April 15). However, the EFS portfolio had a poorer 30+ delinquency at 7.6% (up from 5.3% in April 2015). The higher delinquencies are primarily due to originations from the pre-September 2015 period. EFS forms only 4% of the portfolio, it did not significantly impact the overall improvement of delinquencies.

JFS has taken a number of credit actions to tighten sourcing and has substantially stepped up collections efforts of the EFS portfolio. These actions have resulted in changing the acquisition mix from primarily unsecured (80% unsecured) to primarily secured (65 – 70%). The existing EFS book will progressively improve and it is expected that EFS delinquencies would come down gradually during the coming year.

Funding

Consistent improvement in credit ratings (from BBB – in 2011 to A in 2016) has helped JFS gain access to diversified sources of funds. The strengthening of credit profile has been validated by credit agencies, duly considering the sound management, strong board composition, strong

systems & processes, ability to maintain a good asset quality without sacrificing growth across geographies.

Credit Ratings

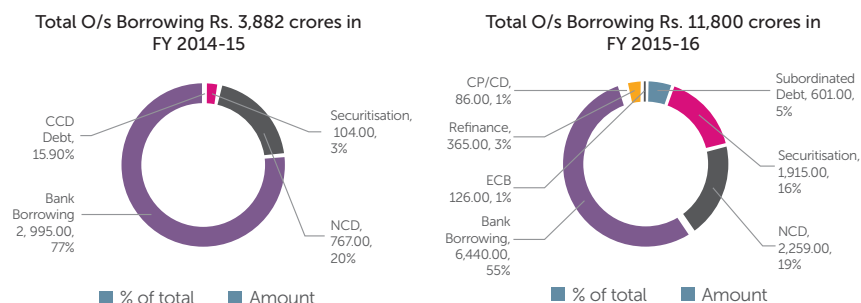
Rating Agency	Mar'15	Mar'16
CRISIL	BBB+	A-
ICRA*	A-	A

*ICRA credit ratings have been further upgraded to A+ in May'16

In FY 16, JFS raised total borrowing of Rs. 10,884 crores from the market. To further diversify the funding mix, a number of new and first time instruments were issued, which include Commercial Papers, Subordinated Debts and ECBs. JFS securitized (Pass Through Certificates & Direct Assignments) debt worth Rs. 2,532 crores, which accounted for approximately 25% of the securitisation undertaken by the Micro Finance Industry. JFS also managed to raise unsecured funding of Rs.1,023 crores which constitutes 9.5% of total funds raised during FY 2015-16.

Lowering of interest rates by RBI and diversification of funding sources resulted in lower cost of borrowings across tenors which was partially passed on to customers through reduction in loan interest rates. A combination of short-term asset book and initiatives to increase the duration of the liability book led to a positive ALM mismatch (Residual Maturity of Liability book has increased from 17.6 months to 18.8 months in 2016).

Funding Mix Comparison YOY:



Diversified Funding

Diversification of Lender Base	FY 2014-15	FY 2015-16
Public Sector Banks	19	23
Indian Private Sector Banks	13	14
Foreign Banks	7	12
NBFC's	9	7
Financial Institutions	1	3
Domestic Entities Subscription to JFS NCD Issuances	2	13
DFI's	4	6
Total	55	78

Sources of Funding (Volumes in Rupees Crores)	FY 2014-15	FY 2015-16	% growth over previous year	Source
Term Loan	2,777	5,366	93%	Existing
Securitisation	90	2,532	2700%	Existing
Non-Convertible Debentures	620	1,574	154%	Existing
Subordinated Debt	-	601	NA	New
Refinance Loan	-	415	NA	New
Commercial Paper	-	248	NA	New
ECB	-	126	NA	New
Invoice Financing	-	22	NA	New
Total	3,487	10,884	212%	

Average Cost of Borrowing - Secured		
Tenor in Years	FY 2014-15	FY 2015-16
0-1	12.76%	11.52%
1-2	13.44%	11.95%
2-3	13.51%	11.93%
3-5	13.64%	12.07%
Above 5*	NA	11.30%

*External Commercial Borrowings

Risk Management

The risk philosophy of JFS is to establish a robust risk management system in the organization, with a view to inculcate risk culture, enhance stakeholder value and comply with regulatory guidelines. In line with this philosophy, during the year, JFS enhanced and deepened Risk management to cover all aspects of Risk – credit risk, operational Risk and market Risk and adopted an integrated risk management philosophy.

The risk management framework comprises the Board of Directors, the Risk Management Committee of the Board, the Credit Risk, Operational Risk and Fraud Risk departments. The Board of Directors approve the overall Risk management policy and the Risk appetite. JFS has set up credit, operations and market risk departments for effective implementation of the risk management policy.

Being a MFI, with a large number of customer accounts and transactions, operations risk assumes greater importance, requiring focussed attention.

An increase in the credit portfolio and introduction of new individual loan products open up new risk factors. JFS has streamlined the credit appraisal process, the scoring model and the security structure for such loans. All proposals are subjected to credit bureau checks. Thus, necessary risk mitigants are in place along with introduction of new products.

JFS, as of now has limited market risk, as it has no investments that are priced on market movements.

Since assets are short term in nature and liabilities are of longer term, JFS has a continuous positive mismatch and does not foresee any liquidity risk.

While borrowing is at a fixed rate or is base rate linked and lending is with the cap of 10% above the average borrowing rate, the interest spread is at a comfortable level.

Integrated Risk Management

Whilst Credit Models & Evaluation is important there is a critical need for an Integrated Risk Management philosophy to mitigate risk. There is a need to systematically assess and address various risks associated with our business model.

Risks	Mitigants
Credit Risk	Group guarantee' based business model. Low loan to income ratio, leading to lower default risk. Comprehensive credit check done at multiple levels for all borrowers, JFS also does a bureau check with Equifax, High Mark and CIBIL.
Operational Risk	Data back-up is maintained on mirror servers located in different geographical areas for disaster recovery. Biometric enabled customer database for tracking customer payments. Independent teams for sales and collection, centralized approvals & disbursements. Over 98% of disbursement is through pre-paid cards
Liquidity Risk	Positive ALM mismatch due to a combination of short term asset book and initiatives to increase the duration of the liability book Diversified sources of funding including securitization and NCDs to minimize reliance on bank funding lines Funding at appropriate tenors to balance business requirements
Interest Rate Risk	Spreads capped at 10%. Flexibility in product pricing to respond to interest rate fluctuations– short-term nature of loans.
Other Risk	Resilient model, weathered AP, Uttarakhand / TN calamities. On-going review of products keeping in view customer needs. Compulsory life insurance to hedge against natural calamities Pan India presence mitigates geographic concentration risk.

Integrated Risk Management



Fraud Risk Management

Fraud risk management continues to be a key area of focus. Amongst all fraud losses, the major concern is cases pertain to bag snatching, which account for almost 49% of the fraud incidents. Proactive mitigation measures which include increasing the total number of cash burial points, transactions through agent banking and cash remittance through third party ATMs are being put in place.

To address fraud incidents relating to non-biometric cash collection, analytical capability to highlight

such incidents followed by remedial measures like tele-calling customers to ascertain reasons have been put in place.

To minimize possibilities of syndicate fraud and frauds committed in connivance with internal and external stake holders, efforts are being undertaken to increase loan sourcing through internal sources and enhancing pre & post disbursal checks.

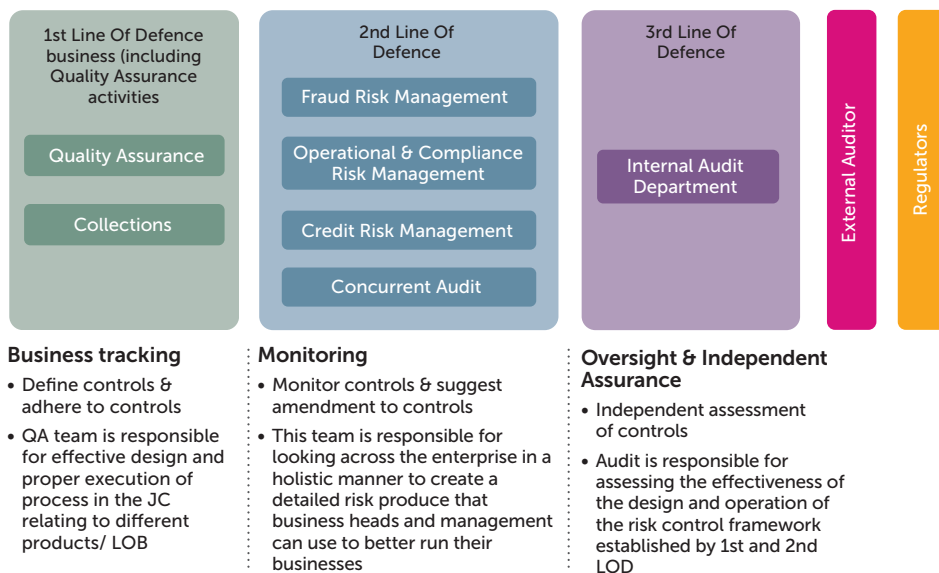
<i>Analysis of fraud incident cases</i>		FY 2014-15		FY 2015-16	
Nature of Fraud	Cases	Amount	Cases	Amount	
Cheating & Forgery	1	110,000	5	772,527	
Misappropriation and Breach of Trust	17	2,905,297	34	4,006,491	
Negligence and Cash Shortages	0	0	3	275,860	
Theft	0	0	1	49,170	
Cash Snatching	19	2,422,305	40	5,709,590	
Grand Total	37	5,437,602	83	10,813,638	

Internal Controls

Internal Control Systems in JFS are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and cover all branches, regional offices and the Head Office.

As part of the integrated risk framework, a three line defence mechanism has been implemented. Business as the first line of defence defines and adheres to controls. Risk, compliance and

concurrent audit units act as the second line to monitor and enhance controls. The Internal Audit Department as the third line of defence provides oversight and independent assurance on the effectiveness of the design and operations of the risk control framework.



JFS has introduced a platform wherein the performance of all the Jana Centres is evaluated on predefined parameters which are linked to process controls. Each Jana Centre gets a score for all the parameters applicable. At the end of the scoring process, the total score is considered for rating Jana Centres on a daily basis.

1b: Customer Centricity and Value Addition

Aligned to the overall vision of JFS where the promise of prosperity touches every Indian, the business model is centred on continuous learning about the lives and economic situations of our customers. JFS caters financial services across the complete value chain at the bottom of the pyramid starting with Small-Batch Loan, insurance products, saving propositions and graduating up to enterprise loan products. JFS provides innovative offerings to customers, cutting across segments and has thus transformed itself from a mono-product institution to a multi-product organisation to cover retail financial services, enterprise financial services, rural finance and public finance.

JFS provides a 360 degree value proposition to its customers through an array of cross sell products, savings, pension, enterprise, housing etc. While the main focus continues to be retail lending microfinance, in recent years the company has expanded this offering to include five different kinds of retail loans viz. Small Batch Loans given to individuals in a batch of 5 to 25 members, with each member guaranteeing the other; Nano Loans which comprise individual business loans to budding enterprises to finance working capital and to invest in equipment; Home Improvement Loans; Jana Kisan Loans, to small and marginal farmers, as well as to leased land cultivators, for capital formation and enhancement of farm productivity; and Education Loans.

Enterprises that are too big for microfinance yet not big enough to conveniently access conventional bank funds are serviced by Enterprises Financial Services (EFS) initiatives. These include Super Nano

Loans to support the growing credit requirement of micro or small enterprises belonging to existing Nano Loan Customers; MSME Loans mostly in the unorganised sector seeking working capital and Term Loans; Long Term Business Loans address the liquidity needs of micro, small and medium entrepreneurs, Equipment and Machinery Financing Loans.

In addition to credit, JFS takes care of the need of its customers through other financial products like saving and pension in partnership with others. Badhti Bachat is a robust goal based saving plan aimed at inculcating the habit of saving among those (in the unorganised sector) who do not have access to traditional saving products. Through India Invest Micro Pension Services Limited, JFS encourages customers to save a small portion of their income in order to secure financial security post-retirement. Life Insurance for loans are provided in partnership with Bajaj Allianz Life Insurance Company, HDFC Life Insurance and Kotak Life Insurance.

Smart Campaign Certification

In May 2015 JFS was officially recognised for this customer centricity when the company received the Smart Campaign Client Protection Certification from Micro Credit Rating International Limited (M-CRIL). The certificate is recognition of the institution's alignment of management systems, policies and processes with client protection principle and of the strong commitment from management to promote growth and institutional development within a client protection framework.

Community Initiatives and Social Impact

JFS reflects to make the world a better place while creating value for customers, partners, the environment and global communities. JFS always encourages feedback from stakeholders, customers and employees regarding CSR opportunities. The company aims to be open and transparent about its progress, as well as about the challenges it faces.

A Community Connect initiative, the Jana Udyog Mela has substantially enabled Badhti Bachat to grow. The two major milestones for the product were in December 2015, when it crossed 400 accounts and when it crossed 532 accounts in March 2016. The aim of Badhti Bachat is to help customers from a financial standpoint and the Community Connect activities add to the credibility by exposing the customers to other avenues.

The company also Introduced an Employee Engagement programme known as "Jana Shakti" focussing on women empowerment. This initiative started in Q4 of FY 2015-16 provides scope to JanaNayaks to understand the concept of CSR and practice it by volunteering to support a woman or a child in need. The JanaNayaks drive this program by rewarding the requirement of the beneficiary and by having a vision for better future. Over and above the contribution of the employee, JFS contributes the remaining amount to fund the beneficiary.

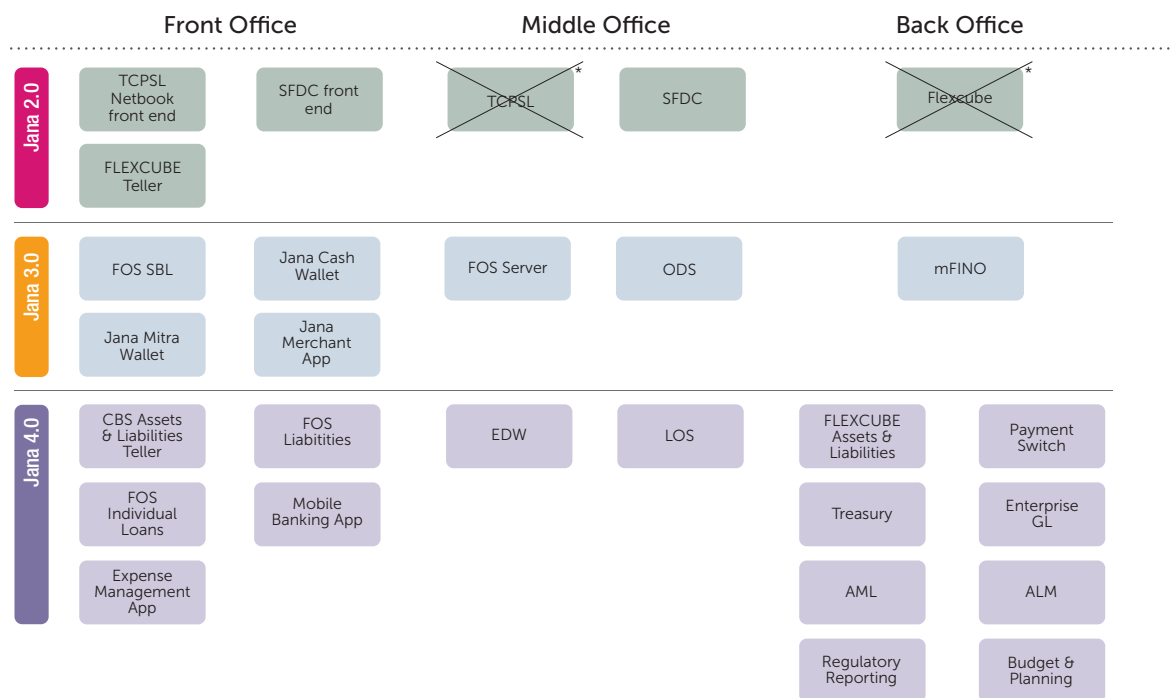
JFS has also adopted Child Development as an important cause partnering with various partner organizations (NGO's) on social issues which persist across gender, class, caste and religion. Several initiatives have been undertaken to contribute to this cause by providing nutrition, day care, tuition, rehabilitation and health care.

1c: Cutting Edge Operations And Technology

The use of technology is an intrinsic part of the processes at JFS. This approach is driven by multiple benefits – cost benefits, controls, scalability and so on. JFS believes that adoption of cutting edge technology at all levels of operations from an early stage in the lifecycle will enable the organisation

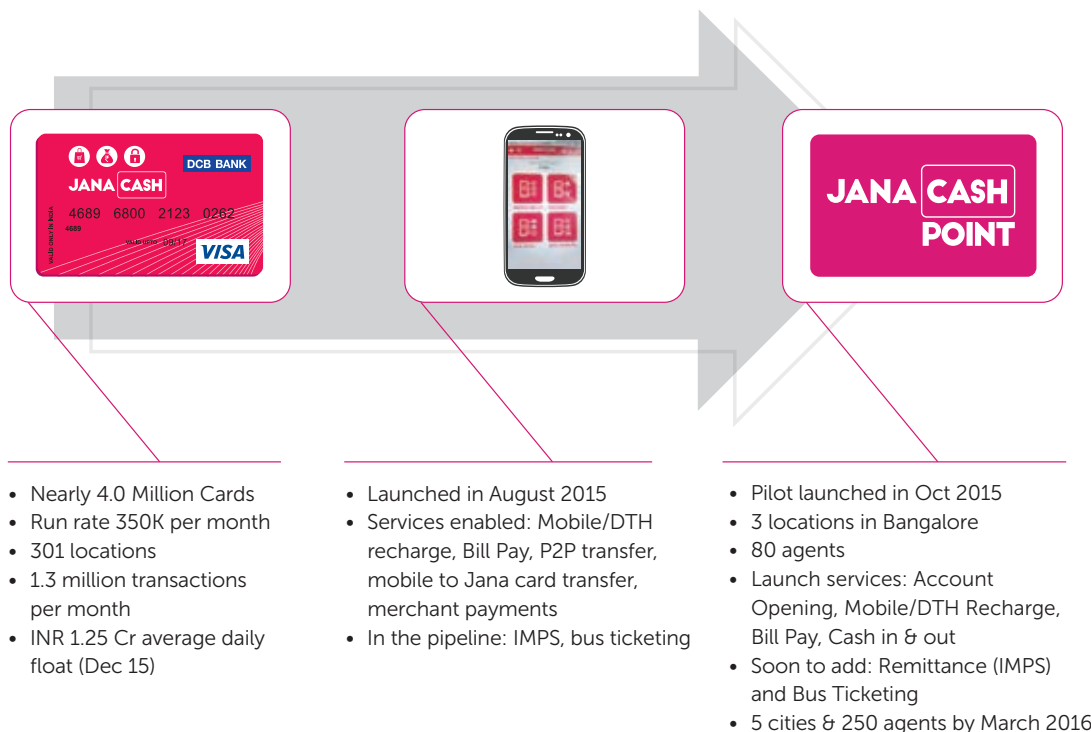
achieve economies, maintain tighter control, reduce risk, gain an increased share of the wallet of the customer and most important develop a wide range of products and services that can be offered to the customer.

Technology Blue Print



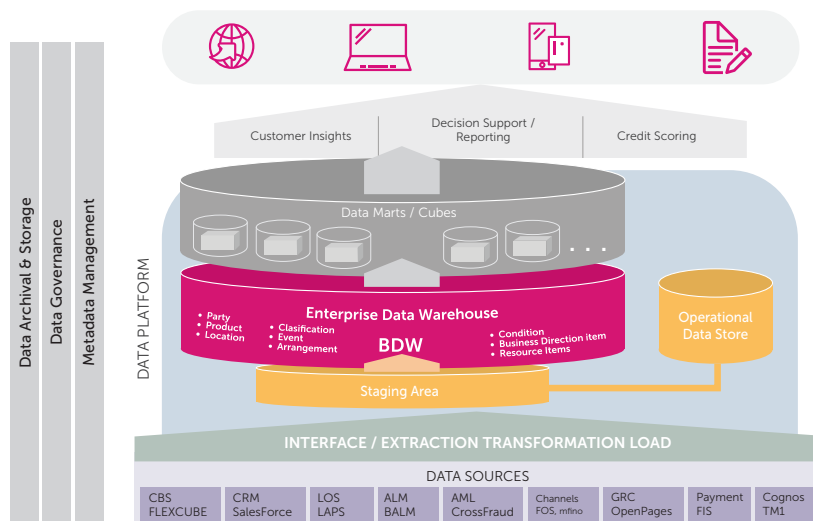
*TCPSL being replaced by FOS
Flexcube being upgraded


Customers can opt for loan disbursal on an open loop prepaid card. Cards are issued under an arrangement with DCB Bank and Federal Bank and can be used at all VISA ATMs and merchant locations across the country. The prepaid card platform is fully integrated with biometric enabled front-end devices and the CRM system.



The technology platform for the next phase of growth is built on a Payments Plus stack. It places the digital payments processes at the heart of the technology stack and brings various other elements including the Core Banking System, CRM, enterprise data warehouse, risk and regulatory reporting etc. around the vision.

JFS entered into an agreement with IBM to deploy analytics





capabilities that integrate JFS's geospatial insights with the credit decision process and help improve distribution & collection models. This will help JFS in expanding on its plans and vision to deliver affordable financial services to individuals and enterprises across India.

Strategic Partnerships

JFS entered into a strategic sourcing partnership with Accenture to achieve scalable and predictable end to end operations leading to economies of scale, improved quality and a predictable cost model.

Key Initiatives

One of the key technology initiatives that gathered significant momentum this year was FOS (Front Line System) which aims to integrate all our workflows related to all our offerings in a user

friendly manner for our frontline JanaNayaks. After several rounds of designing, testing and refinement, FOS has been successfully piloted across selected Jana Centres and will be deployed across the enterprise.

This year JFS has established the Process Excellence Group to pursue an agenda of continuous process improvement. The group has embarked on a key initiative "Intelligent Process Assurance" which combines two components: Intelligent Documentation and Intelligent Workflow. Intelligent documentation would aim to create detailed user friendly documents, facilitate change management and develop interactive querying and learning process. This will be complemented by Intelligent Workflow which will focus on building effective process, performance reporting, quality assurance and intelligent audit.

1d: Deep and Diverse Human Capital

JFS provides a differentiated value proposition for its diverse talent pool across all verticals including Talent Acquisition, Learning & Development, Rewards and Talent Management. For many JanaNayaks, JFS provides a unique opportunity to contribute & grow in an organisation that is ethical, provides an opportunity to make an impact by working on cutting edge initiatives. JFS is an equal opportunity employer providing opportunity to young people recruited from the customers' family and milieu.

JFS has a unique compensation philosophy where JanaNayaks at the frontlines are paid at the 90th percentile, middle management at 75th percentile, senior management at 66th percentile and top management at 50th percentile of the MFI industry.

Leadership and Development

Leadership and developmental programmes continue to be held across zones to nurture the talent pool and train them for future leadership roles. Internal Job Postings were launched in October 2015 to encourage JanaNayaks to take charge of their careers with cross-functional role opportunities.

A performance management and promotion policy was launched to build and develop JanaNayaks' skills and to prepare them for new opportunities in the bank.

Several development and leadership programmes have been customised to enhance the skill sets of our JanaNayaks which include:

- Naukri Degree Makaan (NDM) – Offers opportunity to enhance one's educational qualification and access affordable housing
- Kalam Advanced Program (KAP) – Focuses on leadership development for Jana Centre Heads
- Kalam Advanced Mentor program (KAMP) – Trains cluster heads to manage reviews, give feedback and provide support for optimal field performance
- Kalam Advanced Leadership Program (KALP) – Addresses communications for impact, conflict management, managing change and executing strategy

Engagement

JFS overall HC value proposition, compensation philosophy and learning and development initiatives have resulted in positive engagement levels across all verticals. A comprehensive engagement survey, Speak Up, was conducted in November 2015 to seek JanaNayaks' views on what they like about the organisation and the changes they would like to see. Speak Up was designed as an online survey and was managed by AON Hewitt, a renowned Human Capital consulting firm. All survey responses were strictly anonymous. JFS's overall engagement scores were at 69%, in line with the industry average of 72%.

Strategic Alignment

To ensure recruitment and performance management are aligned to the overall strategic objectives, comprehensive well defined processes

have been put in place. Job Codes are available for every job with clearly defined competencies and goal sheets. Position Codes are released by the Planning & Budgeting team based on approved budgets. JanaNayak Codes are linked to the Position Codes for incentive pay calculation based on digitized data systems

With the launch of the small finance bank, the year ahead promises to be exciting and challenging for the HC team. The focus will be to build on our existing framework and enhance capability help our transition.

2. Data driven Performance Management System

Our performance management system is the second component of the operating model which 'holds' the 4 core building blocks together. At the top of the value pyramid is the best in class Balance Scorecard System which facilitates real time MIS, tracking and monitoring of various key business metrics and provides the company with strong internal controls and a robust performance management system.

Balanced Scorecard focuses on the following key parameters

- Financial performance
- Customer & market
- Internal process and operations
- Learning & Development

Align the Organization to the strategy

JFS has aligned its operating plan and budget to operational and business strategy as defined by the strategy map of organisation. The vision of the company says "Likho Apni Kahani", which means we would want each & every customer and employee to be the owners of their own destiny. This is imprinted in the ethos & pathos of our corporate strategy and the guidelines flow through our business plans & budget.

JFS decomposes business model by implementing "Units of economics" that are replicable, flexible and practical. By using these units, organisation can effectively map geographic and business presence pan India. Operational strategy focuses on adding units of "Jana Centres" at a rapid pace to reach our customers more effectively. This step is achieved in the budget through scoping of the unit of economics.

A comprehensive data driven approach is adopted at every Business Unit and Jana Centre. Creating a map of Native Data Elements facilitate provision of standardised, simple and accessible information flow to every individual to help him/her to deliver the KPIs. This will aggregate into the unit level performance which in turn will deliver the strategic goals defined at a corporate level. This rhythm of aggregating Native Data Elements into layers of metrics has made this process an integral part of the performance measurement in the organisation and is internalized as such by all stakeholders.

Motivate to make strategy everyone's job

The idea of performance measurement is systemically socialised amongst the staff through series of workshops complemented by focused

training programmes designed to impart the data driven management approach. The objective is to provide every day tools like digital mapper in the salesforce system, JC manuals etc., which help the staff in achieving their KPIs.

At JFS, there is a very strong and linear correlation between the strategic vision defined by the KPIs for all business and functional balance score cards which in turn form the basis of the performance management process. Incentives for the sales staff who represent the majority of all employees were based on specific KPIs assigned to them. The alignment of KPIs to specific goals at various levels of our frontline organisation is achieved through a nested KPIs process called Jana Centre Excellence Index.

A Jana Centre manual has been developed which details all applicable KPIs against each activity to provide correlation to the JanaNayak between operational activity and the strategic KPI.

Apart from the business entities strategic goals for all functional teams are defined at the beginning of the year after internal discussions and alignment. KPIs for each function is based on the strategic goals that have been agreed and measured which forms the basis of performance management.

Govern to make strategy a continual process

All business entities have well defined strategic measures and targets with agreed benchmarks. There is a well-defined governance calendar for Balanced Scorecards to be reviewed at every level of the organisation finally culminating into periodic reviews by senior management. This sets the rhythm for performance measurement in the organisation. An office of Innovation and Strategy Management is established to coordinate the process of MIS production, conduct of effective reviews and training sessions for Jana Centres

Hall of Fame Award

In November 2015 Palladium inducted 10 organisations into the 2015 Palladium Balanced Scorecard Hall of Fame, which included JFS. JFS, one of the recipients, shared the stage with elite Indian companies like Hindustan Petroleum, Infosys, Reliance Industries, Tata Motors and TCS BPO. With this international recognition, JFS is now part of more than 200 Hall of Fame members, including some of the most admired enterprises worldwide.

3. Compelling and Authentic Brand Promise

It is our vision to be the force of transformation that brings prosperity to every Indian. We have focussed on servicing the needs of the urban poor, one who may not be below the poverty line, but has severe problems in accessing formal financial services. We strive to enable the dreams of this customer by providing financial services and empowering him to write his story of success - **"Likho Apni Kahani"**.

Our brand promise to be a unique purpose-driven social enterprise is delivered in its true sense when every JanaNayak steps up to be the force of transformation in helping script the stories of success in the lives of their customers. We took a firm step in this direction with the Jana Champs Programme (JCP). Launched in February 2016, JanaNayaks under the JCP were encouraged to volunteer for a variety of initiatives being rolled out.

4. Living our Values

The vision of a brand can be realised only when the organisation lives its values. At JFS, values are defined by the acronym 'LEAP,' that stand for Leadership, Empathy, Aspiration and Professionalism. We aim to live these values every day in our interactions with JanaNayaks and customers and to apply them in our policies.

Several programmes that embed the desired value system are being championed by the Human Capital team across the organisation (details in section 1D). Cross functional projects to foster team spirit, develop leadership skills and celebrate our Hero JanaNayaks through the Values Champs Programme are some powerful initiatives that help JFS live its values internally and externally.

One of the key initiatives that has been conceptualised this year is 'Channel J' an online social tool allowing JanaNayaks to form groups, receive updates on important policy communications and interact with each other. In the coming year, Channel J will be a powerful Online/Mobile platform connecting all JanaNayaks and empowering them to broadcast,

and interact socially. This unique platform will go a long way in setting the code for living our values.



LEAP Values

- Compensation Philosophy
- Celebrating Value Champions
- Internal Job Postings (IJPs)
- JanaNayak-led CSR
- Whistle Blower Channel
- Encouraging Volunteerism
- Showcasing Community Connect

1. Whistle blowing Mechanism

Janalakshmi has provided a whistle blowing avenue for employees/ directors to raise concerns and get reassurance that they will be protected from reprisals or victimization for whistle blowing in good faith. Whistle blowers have access to the MD & CEO/ Compliance Officer directly. In 2016, there have been no instances of whistle blowing.



2. Events subsequent to the date of financial Statements:

There were no material changes subsequent to the date of Financial Statements.

3 Change in the nature of business, if any :

The Company continued to carry on its Business as Micro Finance Enterprise within the RBI regulated NBFC organisational framework.

4 Dividend and Reserve:

The Board of Directors recommend the payment of Dividend at the rate of 100% for the year 2015-16. No amount has been transferred to the General Reserve.

5 Board meetings:

The Board of Directors met 37 times during the financial year. In addition to the quarterly meetings the Board also met several times at shorter notice to accord approval for issue and allotment of securities. The quarterly Board meetings were held on

19th May 2015, 1st Jun 2015, 12th Aug 2015,
26th Nov 2015 and 25th Feb 2016

Additional meetings convened at shorter notice, were held on

11 th May 2015,	15 th Jun 2015,	15 th Jul 2015,
20 th Jul 2015,	22 nd Jul 2015,	23 rd Jul 2015,
24 th Jul 2015,	27 th Jul 2015,	28 th Jul 2015,
07 th Aug 2015,	11 th Aug 2015,	14 th Aug 2015,
19 th Aug 2015,	27 th Aug 2015,	28 th Aug 2015,
31 st Aug 2015,	23 rd Sep 2015,	14 th Dec 2015,

17 th -Dec 2015,	22 nd Dec 2015,	24 th Dec 2015,
30 th dec 2015,	31 st Dec 2015,	02 nd Feb 2016,
05 th Feb 2016,	15 th Mar 2016,	18 th Mar 2016,
21 st Mar 2016,	23 rd Mar 2016,	28 th Mar 2016,
29 th Mar 2016,	31 st Mar 2016.	

6. Directors and Key Managerial Personnel:

The following Directors were appointed on the Board during the financial year :

1. Mr. Anil Rai Gupta (re-appointed) as an investor Director on 26th Nov 2015.
2. Mr. R Ramaseshan as an independent Director on 25th Feb, 2016.

The following Directors resigned during the year.

1. Mr. Anil Rai Gupta on 23rd Sep 2015
2. Mr. Zaheer Sitabkhan on 23rd Sep 2015
3. Mr. Badrinarayan Pulinja on 23rd Sep 2015
(Alternate director to Mr. Zaheer Sitabkhan)
4. Mr. Sunil Mathur on 16th Jan 2016

Mr. Jayasheel Bhansali joined as the Chief Financial Officer on 26th Nov 2015.

7. Declaration From Independent Directors On Annual Basis

The Company has received declarations from all independent Directors of the Company under Section 149(7) of the Companies Act, 2013 that they meet with the criteria of their independence as laid down in Section 149(6) of the Companies Act, 2013.

8. Composition of Audit Committee and Nomination & Remuneration Committee:

The composition of Audit Committee as on 31st March 2016 is as follows:

Mr. Uday Chitale (Committee Chairman)
Mr. Narayan Ramachandran
Mr. Vikram Gandhi
Mr. Puneet Bhatia
Mr. R. Srinivasan (Permanent Invitee)

The terms of reference of the Audit Committee are as per the provisions of Section 177 of the Companies Act, 2013.

The Audit Committee met four times during the financial year. The meeting dates were 19th May 2015, 11th Aug 2015, 25th Nov 2015 and 25th Feb 2016

The composition of Nomination and Remuneration Committee as on 31st March 2016 is as follows:

Mr. Uday Chitale (Committee Chairman)
Mr. Akhil Shriprakash Awasthi
Mr. Ling Wei Ong/Aluri Srinivasa Rao
Ms. Vijayalatha Reddy

The scope of activities / terms of reference of the Nomination and Remuneration Committee are as per the provisions of Section 178 of the Companies Act, 2013.

The Committee met five times in the financial year. The meeting dates were 19th May 2015; 1st Jun 2015; 11th Aug 2015; 25th Nov 2015 and 25th Feb 2016.

The company has laid down a Remuneration Policy, as approved by the Nomination &

Remuneration committee for remuneration of Directors, Key Managerial Personnel and other employees. The policy also covers the criteria for determining qualifications and other attributes for appointment of directors including independent directors.

9. Vigil Mechanism:

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, the Company has established a vigil mechanism for directors and employees to report genuine concerns. The vigil mechanism forms part of the Whistle Blower Policy, which has been approved by the Board of Directors in their meeting held on 5th August 2014. The policy has also been hosted on the website of the Company.

JFS has an Anti-Sexual Harassment Policy to promote a workplace that is free of sexual harassment. A committee to investigate and redress any grievance has been formed, which meets at least once a quarter.

10. Director's Responsibility Statement:

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The Directors have prepared the annual accounts on going concern basis;

(e) The Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. Information about the Financial Performance /Financial Position of the Subsidiaries/ Associates/ JV :

The Company does not have any Subsidiary or Associate Company.

12. Extract of Annual Return:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in the form MGT 9 to this Annual Report is attached as Annexure I)

13. Auditors:

The Auditors, M/s Deloitte Haskins & Sells, Chartered Accountants, were reappointed at the Annual general Meeting for 2015-16 as the

Statutory Auditor of the company to hold office till the conclusion of the AGM to be held in calendar year 2017.

14. Secretarial Audit:

Secretarial audit report as issued by Mr. Nagendra D Rao, Practising Company Secretary is annexed to this Report as ANNEXURE VI.

Qualifications in Audit Reports

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made—

(a) By the Company Secretary in practice in his secretarial audit report;

1. Under the Listing Agreement entered with BSE

a. The Company has not filed the Balance Sheet, Profit and Loss Account as per the prescribed format Annexure I to Listing Agreement for Debt Securities to BSE.

The Company has noted the specified format and going forward will be filing the Balance Sheet, Profit and Loss Account in the specified format.

b. Intimation of Date of the Meeting of the Board of Directors - The Company has not been regularly intimating 2 days in advance the Date of the Meeting of the Board of Directors of the Company.

From April '16 onwards, the company has instituted the practice of informing the BSE 2 days in advance regarding the board meeting to be held for issuance.

2. State Stamp Acts

It has been observed that pre-dominantly in States like Madhya Pradesh and Maharashtra, the Lending agreements are under stamped. In few cases, in the Union National Territory of New Delhi, few agreements are under stamped.

The Directors have noted non-compliance with State Stamp Acts. The company inquire into such instances and initiate remedial action to strictly comply with applicable laws.

3. Shops and Establishment Act in various states

a. The Company has not obtained the Registration license under the Shops and Establishments Act of various states -

I. In the State of Madhya Pradesh [Location - No.12 & 12, 1st Floor, Radhika Palace, Indore - 452 010] and II. In the State of Gujarat [Location - 1 unit No. 115, 116, 1st Floor, Advance Business park, Block No. A, T.P No. 14, F.P No. 105/B, Village Dariapur-Kazipur, Dist. Ahmedabad,

ii) Shop No. UG-44, Upper ground Floor, 'siddhi Vinayak Platinum', Mouje Baroli Sub-Dist Choriyasi, Pandesara, Dist. Surat

iii) Shop No:14-17; Second Floor, TVS Showroom, City Point, Abrama, Valsad-396001

b. The Company has not obtained the renewal license under the Shops and Establishments Act of various states, I In the State of Maharashtra

i) 1st Floor, "A" ward, CSN No. 762, Opposite ITI Vastigruh, Sambhajinagar, Kolhapur - 416012

ii). No 101 to 107, "Mayuri Plaza"Village Theragaon, Tal: Mulsi, Dist Pune

c. In the State of Gujarat

i) Shop No.120 & 121, 1st Floor, Shreeji Arcade

Godadara, Gujarat - 395010,

ii) Ridhdhi Siddhi Complex, 101 - 102, 1st floor, Mahila Collage road, Opp Stri Vikas Gruh, Patel Colony, Jamnagar - 361008.

iii) A/7, 3rd Floor, Sardar Patel Mall,Nr Thakkarnagar Flyover Bridge, Nikol Road,Nikol, Ahmedabad - 380024,

iv) 201/202, Shree Ashtvinayak City Mall, Opposite Madhav Darshan, Waghawadi Road, Bhavnagar - 364001,

v). 2nd Floor, Shop No. 203 & 204, Prisam Complex, S.T. Road, Junagadh - 362 001.

vi) Office No 6&7, 2nd floor, "JAY COMPLEX", near Gandhibaug, Amreli R.S No. 9/4, Paiki, Jay Soccity, Block No 7&8, Tal; Amreli, Dist Amreli

In all the above cases, applications have been filed with the concerned department. The company is awaiting details from the Government and expects to complete this process by 15th July 2016.

Trade License

The Company has not obtained the Registration of Trade license in the State of Madhya Pradesh at the following locations -

i) No.12 & 12,1st Floor, Radhika Palace, Indore - 452010,

ii) 3rd Floor, T-5, City Centre -1, press complex, M.P Nagar, Zone-1, Bhopal-462011 and

iii) Shop No 127&8, Lower Ground Floor, Plot no 12, 13 & 14 part situated at Indrasan Tower, Gram Pithampur, Thesil & Dist Dhar, M.P.

Earlier, Trade Licenses were applied at the Zonal level and now the process has been centralized effective 1st March 2016. An external consultant has been engaged who has already started collating necessary documents from Jana Centres

/ Branches and for applying for Trade Licenses.

15. Conservation of Energy, Technology Absorption And Foreign Exchange Outgo:

(A) Conservation of Energy: Not applicable

(B) Technology Absorption: Not Applicable

(C) Foreign Exchange Earnings and Outgo:

Foreign Exchange earnings: NIL and Foreign exchange Expenditure : Rs. 38,212,190

16. Details of Adequacy of Internal Financial Controls with Respect to the Financial Statements :

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the companies policies, the safeguard 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 disclosures.

17. Risk Management Policy

Detailed Reference in Management Discussions & Analysis Report (Section 1A)

18. Corporate Social Responsibility Policy:

Pursuant to the provisions of section 135 and schedule VII of the Companies Act, 2013, CSR Committee of the Board of Directors was formed to recommend (a) The policy on Corporate Social Responsibility (CSR) and (b) Implementation of the CSR Projects or Programmes to be undertaken by the Company as per CSR Policy. The CSR policy

has been duly approved by the Board of Directors.

Reason for Not Spending:

The Company allocated 13% of the CSR funds (Rs. 17,47,478) to the employee engagement (Jana Shakti) program with an aim to enable employees to become agents of change in the society. Although the programme was introduced in November 2015, it took time to gain momentum. This occurred as it is a new program that has been launched and employees are gradually getting to know about it through promotions and word of mouth. As of 31st March 2016, the company was able to spend Rs. 2,48,480 of the total allocated amount on 16 applications. Post 31st March 2016, the number of applications have increased, showing a positive trend. Due to this the Company would like to carry forward the remaining balance of Rs. 14,86,998 to FY2016-17 and disburse it gradually as the applications come in from employees across the country.

Annual Report on CSR

Annual Report on CSR in the prescribed format is enclosed as Annexure II

19. Related Party Transactions

Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) in Form AOC- 2 as Annexure – III

20. Formal Annual Evaluation:

The Board of Directors in its meeting held on 15th April 2016, took note of the evaluation report of all the Directors performance including its own performance, its committees and the independent Directors. The Board deliberated on various

evaluation attributes indicated in the evaluation questionnaire for all the directors and after due deliberations made an objective assessment and evaluated that all the directors in the Board have adequate expertise drawn from diverse industries and business and bring specific competencies relevant to the company's business and operations.

The Board found that the performance of all the Directors was quite satisfactory and the functioning of the Board and its Committees were quite effective. The Board evaluated its performance as a whole and was satisfied with its performance and the composition of independent and non-independent directors.

21. Ratio of Remuneration to Each Director

Details / Disclosures of Ratio of Remuneration to each Director to the median employee's remuneration as in Annexure – IV

22. Listing with Stock Exchanges

The Company has listed its debt securities (i.e non-convertible debentures) on BSE and confirms that it has paid the annual listing fees for the year 2016-17.

23. Corporate Governance and Shareholders Information

A report on Corporate Governance as applicable to the company is included as a part of this Annual Report (Annexure V)



R. Srinivasan

Executive Vice Chairman



V. S. Radhakrishnan

CEO & Managing Director

A man with a mustache, wearing a blue and white striped button-down shirt, is holding a white bowl filled with a yellow and green salad. He is looking down at the bowl. The background is dark and out of focus, showing bokeh lights from a night street scene. To the left, a yellow vertical pole is visible. To the right, another person's hand holding a bowl is partially visible.

R Shiva

Business First Loan Customer

"My business turnover is Rs. 16,000 a day. 50% of that are my profits"

A woman with dark hair, a bindi, and a nose ring is smiling. She is wearing a pink saree with a blue and green patterned border. She is standing in a room filled with clothing. In the background, there are shelves with various items, including what looks like a clock and some small figurines. To the right, there are clothes hanging on a rack. The woman is holding a pair of scissors and is cutting a piece of black fabric.

Geetha Shanmugam

Small Batch Loan Customer

"I want to sell readymade garments in my shop and open a boutique in the near future"

ANNEXURE I

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U65923KA2006PLC040028
2.	Registration Date	24-Jul-2006
3.	Name of the Company	Janalakshmi Financial Services Limited
4.	Category/Sub-category of the Company	Public Limited Company by Shares
5.	Address of the Registered office & contact details	'Rajashree Saroja Plaza,' No. 34/1, Andree Road, Shanthinagar, Bengaluru – 560 027 Ph no. : 080 - 4259 5700
6.	Whether listed company	No, but debt securities are listed on Bombay Stock Exchanges
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Pvt. Ltd. Plot No.17 - 24, Vithal Rao Nagar Madhapur Hyderabad - 500 081 Ph: +91 040 44655208

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Small Batch Loans	64920	81.26%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S. No.	Name and Address of the Company	CIN/GLN	Holding /Subsidiary/ Associate	%of shares held	Applicable Section
1	Not applicable				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	674040	101910	775950	17.98%	Nil	Nil	Nil	Nil	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total share holding of Promoter (A)	674040	101910	775950	17.98%	Nil	Nil	Nil	Nil	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/Foreign Companies	1420184	1669362	3089546	71.58%	2165850	597728	2763578	64.03%	7.55%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify Private Equity Fund	-	154662	154662	3.58%	-	148345	148345	3.44%	0.15%
Sub-total (B)(1):-	1420184	1824024	3244208	75.165	2165850	746073	2911923	67.46%	7.70%

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	400	224857	225257	5.22%	1269782	79293	1349075	31.26%	-26.04%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	70813	70813	1.64%	32193	23049	55242	1.28%	0.36%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident									
Indians	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-
Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing	-	-	-	-	-	-	-	-	-
Members Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies									
-D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	400	295670	296070	6.86%	1301975	102342	1404317	32.54%	-25.68%
Total Public Shareholding									
(B)=(B)(1)+ (B)(2)	1420584	2119694	3540278	82.02%	3467825	848415	4316240	100.00%	-17.98%
C. Shares held by Custodian for GDRs & ADRs									
	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2094624	2221604	4316228	100.00%	3467825	848415	4316240	100%	-

B) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Jana Urban Foundation	775950	17.98%	NA	Nil	Nil	NA	-

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	775950	21.86%	775950	21.86%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	Add : 117279 (transfer of shares from other investors on 10-Aug-2015) Add : 244505 (transfer of shares from other investors on 18th March 2016 Add : 12 (conversion) of CCPS which were transferred by other investors on 18th March 2016) Less : 1137746 (transfer to other investor on 31-Mar-2016)	NA	Add : 117279 (transfer of shares from other investors on 10-Aug-2015) Add : 244505 (transfer of shares from other investors on 18th March 2016 Add : 12 (conversion) of CCPS which were transferred by other investors on 18th March 2016) Less :1137746 (transfer to other investor on 31-Mar-2016)	NA

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Refer Attachment A			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

V. Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Refer Attachment B			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	37,671,438,372	297,757,800	37,969,196,172
ii) Interest due but not paid	0	0	0
iii) Interest accrued but not Due	201,820,541	0	201,820,541
Total (i+ii+iii)	37,873,258,913	297,757,800	38,171,016,713
Change in Indebtedness during the financial year			
• Addition	74,169,083,188	10,357,947,467	84,527,030,655
• Reduction	22,957,594,980	2,230,517,533	25,188,112,513
Net Change	51,211,488,208	8,127,429,934	59,338,918,142
Indebtedness at the end of the financial year			
i) Principal Amount	88,207,863,933	8,296,967,667	96,504,831,600
ii) Interest due but not paid	0	0	0
iii) Interest accrued but not due	876,883,188	128,220,067	1,005,103,255
Total (i+ii+iii)	89,084,747,121	8,425,187,734	97,509,934,855

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/MTD/ Manager		Total Amount
		R. Srinivasan (Executive Vice Chairman)	V. S. Radhakrishnan (Managing Director & CEO)	
1	Gross salary	17,681,642	22,306,742	39,988,384
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)			
	Ceiling as per the Act			

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors						Total Amount
		Narayan Ramachandran	Uday Chitale	Sunil Mathur	Vijayalatha Reddy	Vikram Gandhi	R. Ramaseshan	
1	Independent Directors							
	Fee for attending board committee meetings	2,00,000	3,00,000	1,00,000	3,00,000	1,00,000	60,000	10,60,000
	Commission	-	-	-	-	-		-
	Others, please specify	-	-	-	-	-		-
	Total (1)	2,00,000	3,00,000	1,00,000	3,00,000	1,00,000	60,000	10,60,000
2	Other							
	Non-Executive Directors	V.Narayanamurthy (Nominee Director of IDBI)		-	-	-	-	-
	Fee for attending board committee meetings	60,000		-	-	-	-	-
	Commission	-		-	-	-	-	-
	Others, please specify	-		-	-	-	-	-
	Total (2)	60,000		-	-	-	-	-
	Total (B)=(1+2)	2,60,000	3,00,000	1,00,000	3,00,000	1,00,000	60,000	11,20,000
	Total Managerial Remuneration	2,60,000	3,00,000	1,00,000	3,00,000	1,00,000	60,000	11,20,000
	Overall Ceiling as per the Act	NA	NA	NA	NA	NA	NA	NA

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

[*Please note that the salary of CEO is already provided under section VII A and in our company MD holds the position of CEO also]

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO *	CS	CFO 1	CFO 2
1	Gross salary	-	31,33,832	36,13,053 (till Oct 2015)	93,16,255 (wef Nov 2015 onwards)
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	31,33,832	36,13,053 (till Oct 2015)	93,16,255 (wef Nov 2015 onwards)

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding Fees Imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY - NIL					
Penalty					
Punishment					
Compounding					
B. DIRECTORS – NIL					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT – NIL					
Penalty					
Punishment					
Compounding					

Shareholding Pattern as on 31-Mar-2016 and 31-Mar-2015 (Top 10 shareholders other than Directors, Promoters, GDRs and ADRs)

Sr No.	Shareholder	No of Shares (31-Mar-2015)	% holding	Allotment	Transfers on (12-Aug-2015;18-Mar-2016;30-Mar-2016)	No of Shares (31-Mar-2016)	% holding
1	North Haven Private Equity Asia Platinum Pte. Ltd (Earlier known as MSPEA Platinum Pte. Ltd.)	758,752	17.58%	-	(117,232)	641,520	14.86%
2	TPG Asia VI SF Pte. Ltd	694,718	16.10%	-	(113,605)	581,113	13.46%
3	Client Rosehill Limited	519,676	12.04%	-	(31,194)	488,482	11.32%
4	Alpha TC Holdings Pte Ltd	396,263	9.18%	-	(46,468)	349,795	8.10%
5	CVCI GP II Employee Rosehill Limited	291,049	6.74%	-	(17,469)	273,580	6.34%
6	Treeline Asia Master Fund (Singapore) Pte. Ltd.	216,088	5.01%	-	-	216,088	5.01%
7	India Financial Inclusion Fund (IFIF)	213,000	4.93%	-	-	213,000	4.93%
8	QRG Enterprises Limited	196,975	4.56%	-	(13,805)	183,170	4.24%
9	GAWA Microfinance Fund	120,088	2.78%	-	-	120,088	2.78%
10	Vallabh Bhansali	47,764	1.11%	-	(15,571)	32,193	0.75%

Name of Director/KMP	Designation	No. of Shares (31-Mar-2015)	% of total shares of the Company	No. of Shares (31-Mar-2016)	% of total shares of the Company
R. Srinivasan	Director & Executive Vice Chairman	9	0.00021%	9	0.00021%
V.S. Radhakrishnan	CEO & Managing Director	1	0.00002%	1	0.00002%
Jayasheel Bhansali	Chief Financial Officer	-	-	-	-
Richa Saxena	Company Secretary	-	-	-	-

ANNEXURE II

THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

- Brief Outline of Janalakshmi Financial Services Private Limited (JFS's) CSR Policy: Janalakshmi intends to integrate the CSR guidelines in its business operations as well as outline a strategy to invest its CSR monies in socially and environmentally beneficial outcomes. JFS will, therefore, partner with a diverse range of stakeholders including well-established NGOs, government bodies and community representatives for its CSR activities.

In FY 2015-16, JFS went one step ahead by formulating an innovative policy on employee engagement in order to provide a platform to its employees to directly engage with the society. A structured program called "Jana Shakti" is being implemented. Through this program, an employee can identify an individual beneficiary (woman or child) in need and make a contribution of Rs. 5,000 to the cause and the company will support by contributing up to Rs. 20,000. Upon satisfactory due diligence, the funds will be released directly to the institute where the beneficiary is enrolled, to ensure transparency and effective utilisation towards the cause. Thus an employee would be able to directly see the impact on the beneficiary by monitoring the progress at regular intervals.

Web link:

<http://www.janalakshmi.com/policies-guidelines/>

• Overview of Projects:

JFS has invested its CSR monies in a diverse range of social projects revolving around Women's Empowerment and Child Development that focus on achieving specific, measurable impact. Considering these parameters, JFS has channelized a major share of its CSR funds through 8 NGOs across India (87%) and the remaining through its new program on employee engagement (13%). The details are given below: -

A. South Zone (Bangalore, Karnataka and Hosur, Tamil Nadu) – 4 NGO partners since 2014

- Provision of food & nutrition for 130 children who have been abandoned and coming from low-income households (Implementing Agency – APSA)
- Provision of 6-day care centres (crèches) and 2 tuition centres for 153 children of rag pickers (Implementing Agency – GRACE)
- Sponsorship of formal education for 70 children and mid-day-meal program for 150 children coming from Below Poverty Line families (Implementing Agency – SVVS)
- Protection and safety of 50 exploited children of Commercial Sex Workers (Implementing Agency – Vidyanikethan)

B. North Zone (New Delhi) – New NGO partner

- Early intervention and care centre for 50 children having special needs (Implementing Agency - Anchal Charitable Trust)

C. Central Zone (Gwalior, Madhya Pradesh) – New NGO partner

VI. Addressing violence against women for 600 women and 600 adolescent girls in 20 slum areas (Implementing Agency - Sambhav Social Service Organization)

D. West Zone (Mumbai, Maharashtra) – New NGO partner

VII. Promoting education for the girl child across 2 projects for 47 girls (Implementing Agency - Shiksha Seva Foundation)

E. East Zone (Kolkata, West Bengal) – New NGO partner

VIII. Diagnostic care for 69 orphan children living with HIV/AIDS (Implementing Agency - OFFER)

F. Employee Engagement Initiative – Jana Shakti Program

Program is open to approximately 10,000 employees across India for supporting social issues pertaining to extreme poverty, hunger, education, medical treatment, housing, etc.

2. The Composition of the CSR Committee.

The CSR Committee of the Board has been formed to develop the CSR strategy, detailed planning on the CSR activities, making decisions

on their expenditure and the monitoring and evaluation mechanisms. The Committee comprises the following members:-

1. Ms. Vijayalatha Reddy (Chairperson)
2. Mr. Ramesh Ramanathan
3. Mr. Vikram Gandhi
4. Mr. Puneet Bhatia

1. Average net profit of the company for last three financial years:

Financial Years	Net Profit in Rs.
2012-13	23,61,01,733
2013-14	73,96,09,918
2014-15	1,08,49,55,987
Average Profit before Tax	68,68,89,213

2. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)

2% of the Average Net Profit of three preceding financial years is Rs. 1,37,37,784

3. Details of CSR spent during the financial year :

- a) Total amount to be spent for the financial year: Rs. 1,37,37,784
- b) Amount unspent, if any: Rs. 14,86,998
- c) Manner in which the amount spent during the financial year is detailed.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl No.	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency *
1	Provision of food & nutrition for 130 children who have been abandoned and coming from low-income households	1. Eradication of extreme hunger and poverty	1. Local Area Program: 34, Annasandrapalya, Vimanapura Post, Bangalore – 560017 2. State: Karnataka District: Bangalore	₹ 11,70,000	1. Direct Expenditure: ₹ 11,70,000 2. Overheads: NA	₹ 11,70,000	Amount Spent: ₹ 11,70,00 Implementing Agency: APSA (Association for Promoting Social Action)
2	Provision of 6-day care centres (crèches) and 2 tuition centres for 153 children of rag pickers	1. Promotion of education 2. Eradication of extreme hunger and poverty	1. Local Area Program: No. 32, 1st Main, 3rd Cross, Rama Tent Road, Venkateshpuram, Bangalore-45 2. State: Karnataka District: Bangalore	₹ 14,66,000	1. Direct Expenditure: ₹ 14,64,370 Overheads: NA	₹ 14,64,370	Amount Spent: ₹ 14,64,370 Implementing Agency: GRACE (Grass Root Action for Community Empowerment)
3	Sponsorship of formal education for 70 children and mid-day-meal program for 150 children coming from BPL families	1. Promotion of education 2. Eradication of extreme hunger and poverty	1. Local Area Program: K.G. Halli, A.C. Post, Bangalore -560045 2. State: Karnataka District: Bangalore	₹ 13,82,000	1. Direct Expenditure: ₹ 13,82,000 Overheads: NA	₹ 13,82,000	Amount Spent: ₹ 13,82,000 Implementing Agency: SVVS (Shamala Vidya Vardhak Sangh)

4	Protection and safety of 50 exploited children of Commercial Sex Workers	i) Eradication of extreme hunger and poverty (ii) Promotion of education (iii) Gender equity and women empowerment	1. Other Area Program: 7/14, Old Mathigiri, TVS Road, Behind RTO Office, Hosur – 635110 2. State: Tamil Nadu District: Krishnagiri	₹ 22,70,800	1.Direct Expenditure: ₹ 21,97,921 2.Overheads: NA	₹ 21,97,921	Amount Spent: ₹ 21,97,921 Implementing Agency: Vidyanikethan
5	Early intervention and care centre for 50 children having special needs	Promoting health care including preventive health care	1. Other Area Programmes: Early Intervention and Care Centre for Children with Disability: F3, Naveen Shahdara, Delhi-110032. 2. State: New Delhi District: Shahdara District and North East Delhi	₹ 13,62,000	1.Direct Expenditure: ₹ 9,62,850 2.Overheads: NA	₹ 9,62,850	Amount Spent: ₹ 9,62,850 Implementing Agency: Anchal Charitable Trust
6	Addressing violence against women for 600 women and 600 adolescent girls in 20 slum areas	Gender Equity and women empowerment	1.Other Area Program: 20 urban slums of Gwalior, Madhya Pradesh 2.State: Madhya Pradesh District: Gwalior	₹ 21,26,000	1.Direct Expenditure: ₹ 8,67,357 2.Overheads: NA	₹ 8,67,357	Amount Spent: ₹ 8,67,357 Implementing Agency: Sambhav Social Service Organization

7	Promoting education for the girl child across 2 projects for 47 girls	i) Gender equity and women empowerment ii) Promotion of education	1. Other Area Program: Kurar Village, Appa Pada, Malad east, Mumbai-400097; Vedant High School & Jr. College - Mira Road East, Thane-401107; Shiksha Utsav Balwadi centre, Shri Ram Nagar, Bilal Pada, Nalasopara east, Palghar 2. State: Maharashtra District: Mumbai Suburban, Thane and Palghar District	₹ 8,56,496	1. Direct Expenditure: ₹ 5,96,622 2. Overheads: NA	₹ 5,96,622	Amount Spent: ₹ 5,96,622 Implementing Agency: Shiksha Seva Foundation
8	Diagnostic care for 69 orphan children living with HIV/AIDS	Combating HIV-AIDS, malaria and other diseases	1. Other Area Program: ANANDAGHAR/APANJ AN, Jugipara Road, Village - Gobindapur, P.S-Sonarpur, Pin -700145 2. State: West Bengal District: 24 Parganas (South)	₹ 13,57,010	1. Direct Expenditure: ₹ 2,23,260 2. Overheads: NA	₹ 2,23,260	Amount Spent: ₹ 2,23,260 Implementing Agency: Organization for Friends, Energies and Resources (OFFER)
9	Employee Engagement Initiative – Jana Shakti Program	i) Gender equity and women empowerment ii) Child welfare	Area: Functional across India where Janalakshmi Financial Services operates	₹ 17,47,478	1. Direct Expenditure: ₹ 2,48,480 2. Overheads: NA	₹ 2,48,480	Amount Spent: ₹ 2,48,480 Direct – Disbursed to organizations (schools/hospitals) where beneficiaries are present
TOTAL				1,37,37,784		91,12,860	91,12,860

*Give details of implementing agency:

1. APSA (Association for Promoting Social Action)

- **Year of Establishment:** 1981
- **Date of Registration:** 4th June 1981
- **Mission and Vision:** APSA's mission is to catalyse the process by which underprivileged and deprived communities participate in their own development and use their own strengths and efforts for problem solving and to improve the quality of their lives. The vision of APSA is development without exploitation
- **Thematic sectors of operation:** Child rights; alcohol, drug and tobacco de-addiction; gender and youth empowerment
- **Geographical working area(s):** 50 Urban slums in Bangalore and Hyderabad each. Work concentrated in 4 Assembly Constituencies in both the cities i.e., 4 constituencies in Bangalore and 4 in Hyderabad, through more than 20 institutional and community-based projects
- **Activities carried out so far:**
 - a) Child Rights Advocacy which includes education for drop-out children, eradication of child labour, shelter for street children and implementation of RTE Act 2009
 - b) Food and nutrition program for the children to fight hunger and malnourishment
 - c) Gender Empowerment and Advocacy which includes formation of SHGs and women's federation, addressing gender based violence in urban slums and sexual health education for adolescent girls
 - d) Alcohol, Drugs and Development which includes de-addiction modules for target groups and awareness on ADD in slums

e) Empowerment and Development of Young People which includes vocational training for youth with job placements and follow-ups

- **Amount unutilised by implementing agency, if any:** NA

2. GRACE (Grass Root Action for Community Empowerment)

- **Year of Establishment:** 2005
- **Date of Registration:** 3rd March 2005
- **Mission and Vision:** Its mission is to work for child development by linking different stakeholders like the urban poor, the urban citizen groups and the government. Grace's vision is to help the poor by promoting accountability of the different stakeholders involved by providing a platform where various officials get to interact with the people coming from disadvantaged backgrounds
- **Thematic sectors of operation:** Provision of day schools (crèches) for underprivileged children whose parents are rag pickers, waste collectors, coolie workers, reduction of malnourishment and promotion of basic education, tuition for school going children, issues revolving around street children, slum development activities, housing, water and sanitation, waste management, job placements, women empowerment, advocacy and networking, vocational training, working with homeless people
- **Geographical working area(s):** Urban slums in Bangalore – East Zone: PK Colony, Nagawara, KM Nagar, Banaswadi, Frazer Town, Desia Nagar Yelahanka Zone: K Narayanpuram, HBR Layout, Old Bagalur Layout, Bangalore east zone
- **Activities carried out so far:**

- a) Promotion of early education to slum children
- b) Provision of nutritious food for children who attend the crèches
- c) Distribution of identity cards which have been authorised by BBMP to the rag pickers and waste collectors
- Amount unutilised by implementing agency, if any: The remaining balance of Rs. 1,630 has already been accounted for in April 2016.

3. SVVS (Shamala Vidya Vardhak Sangh)

- **Year of Establishment: 1979**
 - **Date of Registration:** 4th November 1982
 - **Mission and Vision:** 'For every child an education, for every adult the dignity of self-reliance' Vision: To regenerate the rhythm of life of the disadvantaged
 - **Thematic sectors of operation:** Formal and non-formal education, community organization and income generation activities, need-based training in sector-specific areas
 - **Geographical working area(s):** Bangalore urban and rural districts, Tumkur, Chitradurgh, Chikaballapur and Bellary Districts
 - Activities carried out so far:
 - a) Formal education for poor students who are especially from minority communities
 - b) Mid-day meals for school children
 - c) Retaining drop-out children in formal education
 - d) Provision of computer training
 - e) Health check-ups for school going children
- **Amount unutilised by implementing agency, if any:** NA

4. Vidyanikethan

- **Year of Establishment:** 1988
- **Date of Registration:** 24th May 1988

- **Mission and Vision:** Its mission is to ensure that every child enjoys his/her childhood and avails the rights of a child. Vision: "Exploitation free and environmentally sustainable society"
- **Thematic sectors of operation:** Protection of exploited children who have been victims of sexual, physical and emotional abuse, agricultural technology and marketing, promoting education for primary level children, provision of computer technology in govt. schools
- **Geographical working area(s):** Urban, peri-urban and rural areas of Bangalore south, Mandya district of Karnataka and Hosur, Mathagondapally in Tamil Nadu. It works in over 218 villages/slums
- **Activities carried out so far:**
 - a) Prevention, protection and prosecution of children who have been victims of different types of abuses
 - b) Promoting health, education and socio-economic programs for the disadvantaged people
 - c) Conducting formal school programs for children through Born Learning Campaign- Thanisandra in 12 areas
 - d) Conducting skill training for rural women
 - e) Conducting poverty alleviation programs in the urban slums
 - f) Promoting agricultural techniques and marketing for rural farmers through Producer Organization Promoting Institution or POPI Project
 - g) Working on Digital and Knowledge enabled Infrastructure for Education (DKIE) in 4 Govt. schools
- **Amount unutilised by implementing agency, if any:** The remaining balance of Rs. 72,879 has already been accounted for in April 2016 for purchasing food for the children.

5. Anchal Charitable Trust

- **Year of Establishment:** 1993
- **Date of Registration:** 16th June, 1999
- **Mission and Vision:** A social environment based on sustainable development, which accords every humane 'Right' and freedom of expression to the underserved without discrimination
- **Thematic sectors of operation:** Health that includes -HIV/ AIDS, Sexual & Reproductive Health, Disability, Diarrhoea and related issues, Disaster Risk Reduction and Community Preparedness, Education, Women empowerment
- **Geographical working area(s):** North Delhi, North East Delhi, East Delhi, Shahdara and Ghaziabad, U.P.
- **Activities carried out so far:**
 - a) Early Intervention and Care Centre for Children with Disabilities: The project aims at bringing improvement in the lives of children with disabilities living in urban slums of Delhi through provision of rehabilitation and referral services.
 - b) 35 AC ECCD & Education Project: Education and early intervention centres for children of construction site workers.
 - c) Building Resilience of Children and their Community by Integrating DRR, Social Protection & Technology:
 - d) STOP Diarrhoea Initiative: Health- Stop/ Reduce incidences of Diarrhoea and community sanitation.
 - e) Abhaya Project: Creating awareness among high risk groups especially female sex workers on sexual and reproductive health
- **Amount unutilised by implementing agency, if any:** JFS entered into a partnership with Anchal Charitable Trust in September 2015 and subsequently the CSR

funds were released. As per the contract period of 12 months, Anchal Charitable Trust will be able to spend the remaining balance of Rs. 3,99,150 by August 2016.

6. Sambhav Social Service Organization

- **Year of Establishment:** 1988
- **Date of Registration:** 19th July 1988
- **Mission and Vision:** Mission: Building equitable, democratic and environmentally sustainable society
Vision: Striving for sustainable development processes and improvement in the quality of life of vulnerable people like tribal, women and children through their organization and capacity building efforts.
- **Thematic sectors of operation:** Mother and Child Health, Violence Against Women, Women Empowerment, Constitutional Guarantees, Tribal Rights, HIV/AIDS, Community Based Rehabilitation, Eye Care, Tuberculosis, Slavery and Bonded Labour, Water, Sanitation and Hygiene, Livelihood, Micro-Saving and Housing, Watershed Development, Advocacy and Research, Training and Capacity Building
- **Geographical working area(s):** Madhya Pradesh – Gwalior, Sheopur, Bhind, Shivpuri and Uttar Pradesh – Lucknow
- **Activities carried out so far:**
 - a) Safe City Initiative: DFID supported action research project on Violence Against Women
 - b) Target Intervention: Program of Apollo Tyres foundation on HIV/AIDS among drivers and helpers
 - c) Integrated Rural Development Project: Supported by Action Aid
 - d) Child Rights and Education Program: Supported by CRY
 - e) Village Level Micro Planning Program: Supported by UNICEF

- f) Reproductive and Child Health Program: Mother NGO for Shivpuri and Tikamgarh: Supported by Ministry of Health and Family Welfare
- Amount unutilised by implementing agency, if any: JFS entered into a partnership with Sambhav Social Service Organization in September 2015 and subsequently the CSR funds were released. As per the contract period of 12 months, Sambhav Social Service Organization will be able to spend the remaining balance of Rs.12,58,643 by August 2016.

7. Shiksha Seva Foundation

- **Year of Establishment:** 2012
- **Date of Registration:** 23rd July'2012
- **Mission and Vision:**
Vision: - Building a strong foundation for women empowerment through promoting girl child education
Mission: - Enable a learning environment for marginalised communities in urban and rural areas to bring equality in the society
- **Thematic sectors of operation:** Education for the girl child, food and nutrition, provision of extra-curricular activities for overall well-being of girls
- **Geographical working area(s):** Malad East, District Mumbai Suburban (Northern Part), Mira Road District, Thane, Kalyan Haji Malang Road District, Thane, Sion Dharavi & Matunga Labour Camp, District Mumbai Metro (Central part of Mumbai), Bilal Pada, Nalasopara, District Paalghar
- **Activities carried out so far:**
 - a) Kanya Shiksha Yojana - Providing education to the underprivileged girl children by supporting their fees
 - b) Shiksha Utsav - Providing basic elementary education to girl children

- c) Project Annapurana - Providing nutrition in the schools or community based organizations to increase attendance and improve health status
- d) Remedial Centre (Supportive Study Centre) - Providing special coaching for underprivileged children
- Amount unutilised by implementing agency, if any: JFS entered into a partnership with Shiksha Seva Foundation in September 2015 and subsequently the CSR funds were released. As per the contract period of 12 months, Shiksha Seva Foundation will be able to spend the remaining balance of Rs.2,59,874 by August 2016.

8. Organization for Friends, Energies and Resources (OFFER)

- **Year of Establishment:** 1986
- **Date of Registration:** 20 January 1987
- **Mission and Vision:** Mission - To secure the childhood of each child and to work with children and bring about changes in their attitude Vision - We strive to create an environment where children can think, laugh, play and grow as children. We want to respond pragmatically to the needs of disadvantaged children and include their families in the process.
- **Thematic sectors of operation:** Child rights, Education, HIV/AIDS, Disability, Community empowerment
- **Geographical working area(s):** West Bengal
- **Activities carried out so far:**
 - a) Anandaghar Residential programme covers 75 orphan children living with HIV/AIDS.
 - b) Atmaja has benefited 100 pregnant women to reduce dropouts in parent-to child HIV transmission prevention initiative

- c) Moving Children from Railway Platforms' – Through UNICEF programme mainstreamed 530 children living on railway platforms in North Kolkata community.
- d) Sahajpath-Supplemental Education to 2500 first generation school-goers
- e) Apanjan residential services covers 70 orphan children with intellectual disability (mental retardation)
- f) Mobile Health Clinic: Provided medical assistance to 5000 people in the rural areas of south 24 Parganas including Sundarbans.
- Amount unutilised by implementing agency, if any: JFS entered into a partnership with OFFER in January 2016 and subsequently the CSR funds were released. As per the contract period of 12 months, OFFER will be able to spend the remaining balance of Rs. 11,33,750 by December 2016.

9. Details of CSR Program on Employee Engagement (Jana Shakti)

- Concept: As the Companies Act 2013 encourages involvement of employees in CSR activities in order to become a Socially Responsible Corporate (SRC) in all aspects of a company's functioning, JFS has started an innovative program called Jana Shakti. This program allows an employee to identify a woman or child in need and then volunteer to support the person. The individual beneficiary should not be related to the employee through blood or marriage. The employee has to contribute Rs. 5000 to the cause. JFS contributes the remaining amount with an upper limit of ₹ 20,000. After thorough background verification of the employee, beneficiary and the institute, the funds are disbursed directly to the institute where the

beneficiary is enrolled. The program enables an employee to go beyond one's official responsibilities and make a significant difference in someone's life (Please refer to page 2 of the Annexure where the policy is highlighted).

- Impact: As of 31st March, there have been 16 employees who have made an impact in the lives of 16 individuals. Their contributions were utilised for issues pertaining to education, poor housing, poverty and medical care.
- In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

As mentioned previously under section 1 (overview of CSR projects in page 2) of the Annexure, 13% of the CSR funds (Rs. 17,47,478) was allocated to the employee engagement (Jana Shakti) program with the aim to enable the employees to become agents of change in the society. Although the program was introduced in November 2015, it took time to gain momentum. This occurred as it is a new program that has been launched and employees are gradually getting to know about it through promotions and word of mouth. The nature of the program being voluntary also needs to be accounted for. As of 31st March, the company was able to spend Rs. 2,48,480 of the total allocated amount on 16 applications. Post 31st March 2016, the number of applications have increased, showing a positive trend.

A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company

ANNEXURE III

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis : All Related Party Transactions are at arm's length.

2. Details of material contracts or arrangement or transactions at arm's length basis

(i)

(a) Name(s) of the related party and nature of relationship :) Jana Urban Services For Transformation Private Limited;

(b) Nature of contracts / arrangements / transactions : Management Service Agreement

(c) Duration of the contracts/arrangements/ transactions : One year (w.e.f 1st July 2015)

(d) Salient terms of the contracts or arrangements or transactions including the value, if any
The agreement covers the following activities :
Financial Advisory Services
Community Connect
Actionable Customer Insights and Analytics
Spatial analysis and geographic information system

Assistance on other projects and services which might be needed from time to time to facilitate product and services innovation for the customers.

(e) date(s) of approval by the Board : 19-May-2015

(f) Amount paid as advances, if any: Nil

(ii)

(a) Name(s) of the related party and nature of relationship : Crossdomain Solutions Pvt Ltd and Mr. Ramesh Ramanathan, Chairman of the Board is also a Director in that Company.

(b) Nature of contracts / arrangements / transactions : Service Agreement

(c) Duration of the contracts/arrangements/ transactions : For three years, Starts from 1st April 2014 to 31st March 2017

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

The agreement is for payroll processing; Full & final Settlement of resigned employees; Year-end processing Vouching; Filing of 24Q. They also provide statutory and non-statutory report. Charges for the services is elaborately mentioned in the Agreement dated 11th Jul 2014 – Schedule A

(e) Date(s) of approval by the Board, if any: 2nd May 2014 and 5th August 2014

(f) Amount paid as advances, if any: Nil

ANNEXURE IV

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year;	EVC – 17,681,642 / 1,64,163 MD & CEO – 22,306,742 / 1,64,163 All Employee Median – (1,64,163)
(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	EVC – 138% MD & CEO – 106% CS – 27.6% CFO* – 34% (Note: CFO mentioned here was effective till Sept 2015, from Oct 2015 new CFO took charge who has not got salary increase within the financial year)
(iii) The percentage increase in the median remuneration of employees in the financial year;	$(1,64,163 - 1,50,000) / 1,50,000 = 9.44\%$
(iv) The number of permanent employees on the rolls of company;	9441 (as on 31st March 2016)
(v) The explanation on the relationship between average increase in remuneration and company performance;	205% increase in disbursement volumes 2014-15 to 2015-16. PAT figures increased from Rs. 78 Crores LY to Rs. 165 Crores 2016-16 an increase of 110% Head count increased from 6257 to 9441.
(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	As above
(vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	Non listed company – Net worth of the company increased from Rs. 1089 Cr. in FY 2014-15 to Rs. 1154 Crores in FY 2015-16. Note: Rs. 1000 Crores of equity is infused in April 2016, which takes the current net worth to Rs. 2154 Crores

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	JFS compensation policy states that it maintains differentiated targets for comp benchmarking for employees at various career level. Accordingly percentile positioning of junior staff was fixed on the top most quartile, and with the target percentile reducing to the median at more senior level employees.
(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	Defined above on the PAT and % increase for KMPs.
(x) The key parameters for any variable component of remuneration availed by the directors; (xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	KPI on the BSC / (Financial, Customer, Process and People). NA
(xii) Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY

Particulars of employees remuneration, as required under section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms a part of this report. Considering first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report, excluding the said information, was sent to the members of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company during working hours up to the date of ensuing annual general meeting. Any member interested in obtaining such information may write to the Company Secretary in this regard.

ANNEXURE V

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

The company is committed to ensure high standards of transparency and accountability in all its activities. Best management practices and high levels of integrity in decision making are diligently followed to ensure sustained wealth generation and creation of value for all the stakeholders. The company adheres to all principles of corporate governance in its true spirit and at all times.

BOARD OF DIRECTORS

Composition

The Board consists of 16 Directors as on 31st March 2016. All independent Directors possess requisite qualifications and are very experienced in their respective fields. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

The names of the Directors and the details of other committee membership of each Director as on 31st March 2016 is given below:

Board Meetings and Attendance at Board Meetings

The Board met 37 times during the financial year 2015-2016. The Board of Directors of the Company had met with a gap not exceeding the maximum gap of one hundred and twenty days between two meetings, as per the provisions of the Companies Act, 2013.

The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda notes are sent to the directors. All the information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The Chairman and the Managing Director & CEO appraise the Board on the overall performance of the company at every board meeting. The Board reviews performance, approves capital expenditures, sets the strategy the company should follow and ensures financial stability. The Board takes on record the actions taken by the company on all its decisions periodically.

Attendance of each Director at Board Meetings

S.No	Name	No. of Board Meetings held	No. of Board Meetings attended
1	Ramesh Ramanathan	5	4
2	Raghunath Srinivasan	5	4
3	V. S. Radhakrishnan	5	5
4	Akhil Shriprakash Awasthi	5	3
5	Anil Rai Gupta (wef 26-Nov-2015)	5	1
6	Ling Wie Ong/Aluri Srinivasa Rao	5	3
7	Narayan Ramachandran	5	2
8	Puneet Bhatia	5	1
9	Ramalingam Ramaseshan	5	1
10	T S Sivashankar	5	5
11	Uday Madhav Chitale	5	5
12	Viswanatha Prasad	5	4
13	Vikram Gandhi	5	3
14	Vijayalatha Reddy	5	4
15	V Narayanamurthy	5	1
(wef 25-Feb-2016)			

Attendance of each Director at Board Meetings (at shorter notice)

S.No	Name	No. of Board Meetings held	No. of Board Meetings attended
1	Ramesh Ramanathan	32	31
2	Raghunath Srinivasan	32	23
3	V. S. Radhakrishnan	32	32
4	Akhil Shriprakash Awasthi	32	1
5	Anil Rai Gupta (wef 26-Nov-2015)	32	0
6	Aluri Srinivasa Rao	32	1
7	Ling Wie Ong/Aluri Srinivasa Rao	32	0
8	Narayan Ramachandran	32	32
9	Puneet Bhatia	32	1
10	Ramalingam Ramaseshan	32	0
11	T S Sivashankar	32	32
12	Uday Madhav Chitale	32	2
13	Viswanatha Prasad	32	12
14	Vikram Gandhi	32	1
15	Vijayalatha Reddy	32	28
16	V Narayanamurthy	32	0
(wef 25-Feb-2016)			

AUDIT COMMITTEE

The audit committee assists the board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The terms of reference of the audit committee covers all matters specified in section 177 of the Companies Act, 2013. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/ financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with legal and statutory requirements, the quarterly, half yearly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of the internal auditor and the statutory auditor. The committee also looks into those matters specifically referred to it by the Board. The statutory auditors were present at the audit committee meetings held on 19-May-2015, 11-Aug-2015, 25-Nov-2015 and 25 –Feb-2016. The audit committee comprised the following directors for the year ended 31st March 2016:

1. Mr. Uday Chitale
(Committee Chairman)
2. Mr. Narayan Ramachandran
Member
3. Mr. Vikram Gandhi
Member
4. Mr. Puneet Bhatia
Member
5. Mr. Raghunath Srinivasan
Permanent Invitee

NOMINATION AND REMUNERATION COMMITTEE

Brief description of terms of reference of the committee:

- (A) appointment of the directors and key managerial personnel of the Company.
- (B) fixation of the remuneration of directors, key managerial personnel and other employees of the Company.

This committee recommends the appointment/ reappointment of executive directors and the appointments of employees from the level of vice-president and above along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the persons track record, his/her potential individual performance, the market trends and scales prevailing in the similar industry. The Committee comprises the following Directors for the year ended 31st March 2016:

1. Mr. Uday Madhav Chitale
Committee Chairman
2. Ms. Vijayalatha Reddy
Member
3. Mr. Akhil Shriprakash Awasthi
Member
4. Mr. Ling Wei Ong/Mr. Aluri Srinivasa Rao
Member

RISK & CREDIT COMMITTEE:

The company has constituted a Risk & Credit Committee with the following directors:

1. Mr. Vikram Gandhi – Committee Chairman
2. Mr. Narayan Ramachandran - Member
3. Mr. Ramesh Ramanathan - Member
4. Mr. V S Radhakrishnan - Member
5. Mr. Viswanatha Prasad - Member
6. Mr. Uday Madhav Chitale - Member
7. Mr. T S Sivashankar - Member
8. Mr. Akhil Shriprakash Awasthi- Member
9. Mr. Ling Wei ong/Aluri Srinivasa Rao- Member
10. Mr. Puneet Bhatia- Member

Roles & Responsibilities of the Committee:

- The Committee would oversee the establishment and operation of the risk management system, including reviewing the adequacy of risk management practices for the material risks, such as credit, market, liquidity, legal, compliance, regulatory and operational risks, on a regular basis.
- Formulate policy on risk assessment and minimisation procedures and to ensure that the executive management controls risk through means of a properly defined framework.
- Determine the policy on specific risks associated with the Company covering all the areas in relation to market risk, competition risk, credit risk, interest rate risk, human resource risk, operation risk, economic risk.
- Report to the Board of Directors/ Audit Committee at regular intervals, the progress made in putting in place a progressive risk management system, and risk management policy and strategy followed, and conform to corporate governance standards relating to risk associated with the Company so as to protect the interest of stakeholders.
- To review at half yearly intervals the overall composition and quality of the credit portfolio in terms of risk profile based on internal customer risk rating system, sectoral deployment of funds and lending to sensitive sectors as defined by the Regulators.

ASSET & LIABILITY COMMITTEE :

The company has constituted an Asset & Liability Committee with the following Directors:

1. Mr. Narayan Ramachandran - Committee Chairman
2. Mr. Ramesh Ramanathan - Member
3. Mr. V S Radhakrishnan – Member
4. Mr. Vikram Gandhi - Member
5. Mr. Uday Madhav Chitale - Member
6. Mr. T S Sivashankar - Member

7. Mr. Akhil Shriprakash Awasthi- Member
8. Mr. Ling Wei ong/Aluri Srinivasa Rao- Member

Powers / Role of the Committee :

- The committee would supervise the Asset Liability Gap and interest rate structures to address liquidity and interest rate risks.
- Responsible for supervising and directing the Asset/Liability Management policies and procedures.
- Deciding the business strategy of the company (on assets and liabilities sides) in line with the company's budget and decided risk management objectives.
- Consider to include desired maturity profile, mix of the incremental assets and liabilities, prevailing interest rates offered by other peer NBFCs for the similar services/product etc.
- Liquidity Risk Management.
- Management of market (interest rate) risk.
- Pricing, profit planning and growth projections.
- Consideration of factors relating to risks which affect the performance of the Company and providing recommendations.
- To approve and revise the actual interest rates to be charged from customers for different products from time to time applying the interest rate model and also in line with such regulations as may be in force from time to time.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The company has constituted a Corporate Social Responsibility Committee with the following Directors:

1. Mr. Vijayalatha Reddy - Committee Chairman
2. Mr. Ramesh Ramanathan - Member
3. Mr. Vikram Gandhi - Member
4. Mr. Puneet Bhatia – Member

Roles & Responsibilities of the Committee:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the company from time to time.

Borrowing Committee:

The company has constituted a Borrowing Committee with the following directors:

1. Mr. R.Srinivasan – Committee Chairman
2. Mr. Ramesh Ramanathan – Member
3. Mr. V.S. Radhakrishnan – Member
4. Mr. Vijayalatha Reddy – Member
5. Mr. T S Shivshankar – Member
6. Mr. Narayan Ramachandran – Member

Roles & Responsibilities of the Committee:

- Borrowing funds and availing any credit facilities from any Banks, financial institutions or other Lenders including but not limited to securitization transactions, assignment of receivables or such other transactions as may be considered necessary from time to time.
- Investing in approved funds and other investment options, subject to such conditions and restrictions as may be considered necessary.
- To open various Bank accounts in the name of the Company like Current account, Cash Credit Account, CMS Account or such other account by whatever name called for the purpose of regular day-to-day business operations of the Company including change of authorized signatories from time to time for operating the said accounts;

- To avail various services such as ECS, NEFT, internet banking facility etc provided by the Banks/Financial institutions for the purpose of regular day to day business operations of the Company.
- To do such other acts, deed and things as may be considered necessary in connection with the operation, maintenance and settlement of any liabilities or matters connected with the financial operations of the Company.

Meeting of Independent Directors:

The Independent Directors of the Company had met during the year on 30th January 2016 to review the performance of non- Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had accessed the quality, quantity and timeliness of flow of information between the company management and the Board.

There was no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company during the Financial Year ended 31st March, 2016.

ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETING

The details of the Annual General Meetings / Extraordinary General Meeting held in the last three years are as follows:

General Body Meeting	Date, Time & Venue	No. of Special Resolution passed
9th Annual General Meeting	29- June- 2015 at 11:00 a.m. at the registered office address : "Rajashree Saroja Plaza", #34/1, Andree Road, Shanthinagar, Bengaluru – 560 027	3
Extra – Ordinary General Meeting	30-Mar-2016 at 6:00 p.m. at the registered office address : "Rajashree Saroja Plaza", #34/1, Andree Road, Shanthinagar, Bengaluru – 560 027	1
Extra – Ordinary General Meeting	18 –December- 2015 at 2:00 p.m. at the registered office address : "Rajashree Saroja Plaza", #34/1, Andree Road, Shanthinagar, Bengaluru – 560 027	3
Extra – Ordinary General Meeting	8-May-2015 at 11:30 a.m. at the registered office address : "Rajashree Saroja Plaza", #34/1, Andree Road, Shanthinagar, Bengaluru – 560 027	3
Extra – Ordinary General Meeting	25-Mar-2015 at 11:30 a.m. at the registered office address : "Rajashree Saroja Plaza", #34/1, Andree Road, Shanthinagar, Bengaluru – 560 027	2
Extra – Ordinary General Meeting	10-Nov-2014 at 06:00 p.m. at the registered office address : "Rajashree Saroja Plaza", #34/1, Andree Road, Shanthinagar, Bengaluru – 560 027	2
Extra – Ordinary General Meeting	28-Oct-2014 at 05:00 p.m. at the registered office address : "Rajashree Saroja Plaza", #34/1, Andree Road, Shanthinagar, Bengaluru – 560 027	1

Extra – Ordinary General Meeting	5-Sep-2014 at 10:30 a.m. at the registered office address : "Rajashree Saroja Plaza", #34/1, Andree Road, Shanthinagar, Bengaluru – 560 027	1
8th Annual General Meeting	20-Jun-2014 at 11:00 a.m. at the registered office address : "Rajashree Saroja Plaza", #34/1, Andree Road, Shanthinagar, Bengaluru – 560 027	3
Extra – Ordinary General Meeting	24-Dec-2013 at 09:30 a.m. at the registered office address : "Rajashree Saroja Plaza", #34/1, Andree Road, Shanthinagar, Bengaluru – 560 027	3
Extra – Ordinary General Meeting	14-Aug-2013 at 2:00 p.m. at the registered office address : "Rajashree Saroja Plaza", #34/1, Andree Road, Shanthinagar, Bengaluru – 560 027	2
Extra – Ordinary General Meeting	12-Aug-2013 at 10:30 a.m. at the registered office address : "Rajashree Saroja Plaza", #34/1, Andree Road, Shanthinagar, Bengaluru – 560 027	2
Extra – Ordinary General Meeting	10-Aug-2013 at 10:30 a.m. at the registered office address : "Rajashree Saroja Plaza", #34/1, Andree Road, Shanthinagar, Bengaluru – 560 027	-
Extra – Ordinary General Meeting	2-Aug-2013 at 10:30 a.m. at the registered office address : "Rajashree Saroja Plaza", #34/1, Andree Road, Shanthinagar, Bengaluru – 560 027	2
7th Annual General Meeting	7-Jun-2013 at 12:00 p.m. at the registered office address : "Rajashree Saroja Plaza", #34/1, Andree Road, Shanthinagar, Bengaluru – 560 027	Nil

WHISTLE BLOWER POLICY

The Company has a whistle blower policy, which has been approved by the Board on 05 August 2014. The policy provides a whistle blowing route to employees, including part time, temporary and contract employees and Directors of the organisation.

Summary of the policy:

- The policy defines the incidents that are required to be reported by a whistle blower, the concerns and safeguards to the whistle blower.
- The procedure for raising an issue under the policy as well as the investigation process and reporting of the whistle blowing incidents are detailed in the policy.

COMPLIANCES:

There have been no instances of non-compliance by the company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the company by the Registrar of Companies, Reserve Bank of India, Stock Exchanges or SEBI or any other statutory authority on such matters.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date and time : 30th June 2016, 11:00 a.m

Venue : "Rajashree Saroja Plaza", No. 34/1, Andree Road, Shanthinagar, Bengaluru – 560 027

Shareholding Pattern as on 31st March 2016

Sr No.	Shareholder	Class	No of Shares	% holding
1	Jana Capital Limited	Class A	1,137,746	26.36%
2	North Haven Private Equity Asia Platinum Pte. Ltd	Class A	641,520	14.86%
3	TPG Asia VI SF Pte. Ltd	Class A	581,113	13.46%
4	Client Rosehill Limited	Class A	488,482	11.32%
5	Alpha TC Holdings Pte Ltd	Class A	349,795	8.10%
6	CVCII GP II Employee Rosehill Limited	Class A	273,580	6.34%
7	Treeline Asia Master Fund (Singapore) Pte. Ltd.	Class A	216,088	5.01%
8	India Financial Inclusion Fund (IFIF)	Class A	213,000	4.93%
9	QRG Enterprises Limited	Class A	183,170	4.24%
10	GAWA Microfinance Fund I	Class A	120,088	2.78%
11	Vallabh Bhanshali	Class A	32,193	0.75%
12	Global Financial Inclusion Fund	Class A	28,257	0.65%
13	Enam Shares & Securities Private Limited	Class A	27,292	0.63%
14	Badri Narayan Pulinja	Class A	23,039	0.53%
15	Growth Partnership II Shiv Shankar Co-investment Trust	Class A	601	0.01%
16	Growth Partnership II Ajay Tandon Co-investment Trust	Class A	266	0.01%
17	R. Srinivasan	Class A	9	0.00021%
18	V.S. Radhakrishnan	Class A	1	0.00002%
	Total		4,316,240	100.00%

Compulsorily Convertible Preference Share Capital

Sr No.	Shareholder	Class	No of Shares	% holding
1	India Financial Inclusion Fund	Class A	3,143,830	97.22%
2	QRG Enterprises Limited	Class F	50,000	1.55%
3	QRG Enterprises Limited	Class J	40,000	1.24%
	Total		3,233,830	100.00%

Compulsorily Convertible Debentures

Sr No.	Debentureholder	Class	No of Shares	% holding
1	QRG Enterprises Limited	NA	15,975,780	100.00%
	Total		15,975,780	100.00%

Form No. MR-3

Secretarial Audit Report

For The Financial Year Ended 31st March 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Janalakshmi Financial Services Limited

[Formerly Janalakshmi Financial Services Private Limited],

I have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by Janalakshmi Financial Services Limited [Formerly Janalakshmi Financial Services Private Limited] (hereinafter called the company). Secretarial Audit was conducted in the manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter: I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 [Not Applicable];

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 [Not Applicable];
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [Not Applicable];
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 [Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014); [Not Applicable];
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients [Not Applicable];
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not Applicable]; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not Applicable];

(vi) The Laws as are applicable specifically to the Company are as under,

- (a) The Reserve Bank of India (RBI) Act, 1934;
- (b) The Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011 and other applicable Directions and rules issued by RBI from time to time.
- (c) Prevention of Money-Laundering Act (PMLA), 2002 and The Prevention of Money - Laundering (Maintenance of Records, etc) Rules, 2005;
- (d) FEMA Rules, Regulations and notifications issued from time to time;
- (e) Indian Stamp Act, 1899 and State Stamp Acts.
- (f) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- (g) The Child labour [Prohibition and Regulation] Act, 1986,
- (h) Shops and Establishments Act applicable under various states and
- (i) The Sexual Harassment of Women at Workplace [Prevention, Prohibition and Redressal] Act, 2013.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1st July, 2015)..
- (ii) The Listing Agreements entered into by the Company with BSE Limited [BSE];

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. Under the Listing Agreement entered with BSE –
 - (a) The Company has not filed the Balance Sheet, Profit and Loss Account as per the prescribed format Annexure I to Listing Agreement for Debt Securities to BSE.
 - (b) Intimation of Date of the Meeting of the Board of Directors – The Company has not been regularly intimating 2 days in advance the Date of the Meeting of the Board of Directors of the Company.
2. State Stamp Acts – It has been observed that pre-dominantly in States like Madhya Pradesh and Maharashtra, the Lending agreements are under stamped. In few Cases, in the Union National Territory of New Delhi, few agreements are under stamped.

3 A. Shops and Establishment Act in various states -

- (a) The Company has not obtained the Registration license under the Shops and Establishments Act of various states -
 - I. In the State of Madhya Pradesh [Location - No.12 & 12, 1st Floor, Radhika Palace, Indore – 452 010]
 - II. In the State of Gujarat [Location – i) Unit No. 115, 116, 1st Floor, 'Advance Business park, Block No. A, T.P No. 14, F.P No. 105/B, Village Dariapur- kazipur, Dist Ahmedabad, ii) Shop No. UG-44, Uppar ground Floor, 'siddhi Vinayak Platinum', Mouje baroli Sub-Dist Choriyasi, Pandesara, Dist Surat and iii) Shop No:14-17; Second Floor; TVS Showroom; City Point; Abrama; Valsad-396001]
- (b) The Company has not obtained the renewal license under the Shops and Establishments Act of various states,
 - I. In the State of Maharashtra [Location - i) 1st Floor, "A" ward, CSN No. 762, Opposite ITI Vastigruh, Sambhajinagar, Kolhapur – 416012 and ii). No 101 to 107, "Mayuri Plaza" Village Theragaon, Tal: Mulsi, Dist Pune)
 - II. In the State of Gujarat [Location – i) Shop No.120 & 121, 1st Floor, Shreeji Arcade Godadara, Gujarat – 395010, ii) Ridhdi Siddhi Complex, 101 – 102, 1st floor, Mahila Collage road, Opp Stri Vikas Gruh, Patel Colony, Jamnagar - 361008. iii) A/7, 3rd Floor, Sardar Patel Mall, Nr Thakkarnagar Flyover Bridge, Nikol Road, Nikol, Ahmedabad – 380024, iv) 201/202, Shree Ashthvinayak City Mall, Opposite Madhav Darshan, Waghawadi Road, Bhavnagar – 364001, v). 2nd Floor, Shop No. 203 & 204, Prisam Complex, S.T. Road, Junagadh – 362 001. vi) Office No 6&7, 2nd floor, "JAY COMPLEX", near Gandhibaug, Amreli R.S No. 9/4, Paiki, Jay Society, Block No 7&8, Tal; Amreli, Dist. Amreli.

3 B. Trade License

The Company has not obtained the Registration of Trade license in the State of Madhya Pradesh at the following locations -

- i) No.12 & 12, 1st Floor, Radhika Palace, Indore – 452010, ii) 3rd Floor, T-5, City Centre -1, press complex, M.P Nagar, Zone-1, Bhopal-462011 and iii) Shop No 127&8, Lower Ground Floor, Plot no 12, 13 & 14 part situated at Indrasan tower, Gram pithampur, Thesil & Dist Dhar, M.p

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the Board of Directors duly recorded and signed by the Chairman, the decisions were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has in compliance with the Act:

- i. Converted from Private Company [Janalakshmi Financial Services Private Limited] to Public Company [Janalakshmi Financial Services Limited] and obtained the Fresh Certificate of Incorporation consequent upon the change from Private Company to Public Company.
- ii. Issued Secured, Rated, Listed, Redeemable Non Convertible Debentures on a Private Placement basis during the period under review.
- iii. Fixed the limit of raising funds from Borrowings through issue of Bonds / Debentures by Private Placement or Public Issue or otherwise to an amount of Rs. 15,000 Crores for the period under review.
- iv. Increase of Authorised Share Capital of the Company to Rs. 1,27,60,00,000 (Rupees One Hundred and Twenty Seven crore Sixty Lakhs) constituted of 55,00,000 (Fifty Five lakh) class A equity shares of a par value of Rs.10 (Rupees Ten) each and 12,21,00,000 (Twelve crore and Twenty One Lakhs) preference shares of a par value of Rs. 10 (Rupees Ten) each.
- v. Issued 11,44,350 Class A Equity Shares to Series F Investors, in pursuance to Securities Subscription Agreement and Shareholders Agreement dated February 11, 2016.
- vi. Altered its Articles of Association.
- vii. Increased the Borrowing Limits under Section 180(1)(c) and enhanced the Security created on the Assets of the Company under Section 180(1)(a), of the Companies Act, 2013.
- viii. Entered In to related party transaction with due approval of the Shareholders with Jana Urban Services for Transformation Private Limited.
- ix. Approval of revision of remuneration of Chief Executive Officer and Managing Director, Executive Vice Chairman.
- x. Appointment of Mr. Jayasheel Bhansali, Chief Financial Officer as Key Managerial Personnel with effect from November 26, 2015.

Independent Auditor's Report

To The Members Of Janalakshmi Financial Services Limited
(Formerly Janalakshmi Financial Services Private Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of **JANALAKSHMI FINANCIAL SERVICES PRIVATE 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.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

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.

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.

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.

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.

Report on Other Legal and Regulatory Requirements

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.

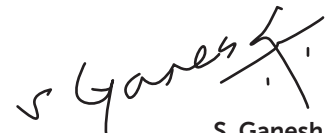
(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- 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.

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.

Place: Mumbai
Date: May 11, 2016

for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S



S. Ganesh
Partner

Membership No. 204108

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 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 PRIVATE 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.

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.

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.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

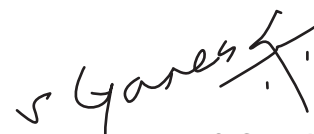
Because of the inherent limitations of internal

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

Opinion

In our opinion, 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 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*
Income Tax Act, 1961	Income Tax	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 initial public offer/ further public offer (including debt instruments) and the 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.
- (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.
- (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.

Place: Mumbai
Date: May 11, 2016

for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S


S. Ganesh
Partner
Membership No. 204108

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		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and 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

Particulars	Note No.	Rupees	
		As at 31 March 2016	As at 31 March 2015

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
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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

Place: Mumbai
Date: May 11, 2016

For and on Behalf of the Board of Directors



R. Srinivasan
Executive Vice Chairman



Richa Saxena
Company Secretary



V.S. Radhakrishnan
Managing Director & CEO



Jayasheel Bhansali
Chief Financial Officer

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

Particulars	Note No.	Rupees	
		For the year ended 31 March 2016	For the year ended 31 March 2015
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. Gahesh
 Partner

Place: Mumbai
 Date: May 11, 2016

For and on Behalf of the Board of Directors


R. Srinivasan
 Executive Vice Chairman


Richa Saxena
 Company Secretary


V.S. Radhakrishnan
 Managing Director & CEO


Jayasheel Bhansali
 Chief Financial Officer

Janalakshmi Financial Services Limited

(formerly Janalakshmi Financial Services Private Limited)

Cash Flow Statement for the year ended 31 March 2016

Particulars	Rupees	
	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)

		Rupees	
Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015	
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	

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

Place: Mumbai
Date: May 11, 2016

For and on Behalf of the Board of Directors


R. Srinivasan
Executive Vice Chairman


Richa Saxena
Company Secretary


V.S. Radhakrishnan
Managing Director & CEO


Jayasheel Bhansali
Chief Financial Officer

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

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 (MGs)), 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.

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."

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%
nstallments 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.



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 the Financial Statements

Note 3

Share Capital

Particulars	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
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

Particulars	As at 31 March 2016	As at 31 March 2015
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

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	-	-

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
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.

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%
CVCII 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	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
Class E			
Class F			
Class G			
Class H			
Class I			
Class J			
Class K			

Note C(1)

Class A	<p>The Class A Preference Shares shall carry no voting rights</p> <hr/> <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 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> <hr/> <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 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> <hr/> <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 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>

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.

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

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 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>
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 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 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>

On the occurrence of a Liquidity Event, in which case all the Class F Preference Shares shall convert to 100 Class A Equity Share. 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.

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 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 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>
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 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>



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.

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

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 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>
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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 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>
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Janalakshmi Financial Services Limited

(formerly Janalakshmi Financial Services Private Limited)

Notes forming part of the Financial Statements

Note 4

Reserves and Surplus

Particulars	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)

Particulars	As at 31 March 2016	As at 31 March 2015
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 the Financial Statements

Note 5

Long Term Borrowings

Particulars	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

Particulars	As at 31 March 2016	As at 31 March 2015
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	-
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	-

Particulars	As at 31 March 2016	As at 31 March 2015
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)		

Particulars	As at 31 March 2016	As at 31 March 2015
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

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

Rupees

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

Rupees

Rate of Interest	Terms of Repayment and Interest		Amount Outstanding (Rs.)	
	Maturity	Installments	Current	Non Current
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

Rupees

Rate of Interest	Terms of Repayment and Interest		Amount Outstanding (Rs.)	
	Maturity	Installments	Current	Non Current
Repayable in Bi-annual Installments				
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

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



Rupees

Rate of Interest	Terms of Repayment and Interest		Amount Outstanding (Rs.)	
	Maturity	Installments	Current	Non Current
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

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Notes forming part of the 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	17,500,000	17,500,000.00
Relative of Persons with significant influence	21,500,000	21,500,000.00
Terms of repayment : Payable on demand (Rate of interest : 12%)		

Particulars	Rupees	
	As at 31 March 2016	As at 31 March 2015
(c) Commercial Paper (unsecured)	860,000,000	-
(Terms of repayment : Rs.750,000,000, 364 days @ 10.90%)		
(Terms of repayment : Rs.110,000,000, 364 days @ 10.25%)		
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

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Notes forming part of the Financial Statements

Note 9

Other Current Liabilities

		Rupees	
Particulars	As at 31 March 2016	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	-	

Particulars	Rupees	
	As at 31 March 2016	As at 31 March 2015
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 installements 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

Particulars	Rupees	
	As at 31 March 2016	As at 31 March 2015
(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

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Notes forming part of the Financial Statements

Note 11

Tangible Assets

Rupees

Particulars	Gross Block			Depreciation					Net Block		
	As on 1st April 2015 Rs.	Additions Rs.	Deletions Rs.	As on 31 March 2016 Rs.	Upto 31 March 2015 Rs.	Adjustment Rs.	For the year Rs.	On deletions Rs.	Upto 31 March 2016 Rs.	As on 31 March 2016 Rs.	As on 31 March 2015 Rs.
Electrical installation*	32,514,467	-	16,557,997	15,956,470	9,312,676		16,688,637	15,462,632	10,538,681	5,417,789	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	266,892,491	391,033,276	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	22,659,925	151,419,287	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	39,685,438	94,159,214	57,374,824
Leasehold improvements*	182,260,202	117,315,147	-	299,575,349	77,035,088		74,635,256	-	151,670,344	147,905,005	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	491,446,879	789,934,571	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)	(266,691,801)	(533,265,311)	

Note: Figures in brackets represents previous years numbers.

* Includes a portion of assets given on operating lease.

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Notes forming part of the Financial Statements

Note 12

Intangible Assets

Rupees

Particulars	Gross Block			Amortisation			Net Block	
	As on 1st April 2015 Rs.	Additions Rs.	As on 31 March 2016 Rs.	Upto 31 March 2015 Rs.	For the year Rs.	Upto 31 March 2016 Rs.	As on 31 March 2015 Rs.	As on 31 March 2015 Rs.
Internally Generated								
Marketing and distribution network	11,150,000	-	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	114,048,138	291,376,024	107,381,231
Total	162,110,569	254,463,593	416,574,162	54,729,338	70,468,800	125,198,138	291,376,024	107,381,231
Previous year	(50,312,722)	(111,797,847)	(162,110,569)	(29,029,193)	(25,700,145)	(54,729,338)	(107,381,231)	

Note: Figures in brackets represents previous years numbers.

Depreciation and amortisation:

Particulars	"For the year ended 31 March, 2016"	"For the year ended 31 March, 2015"
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Depreciation and amortisation for the year as per Note 11 and 12	353,445,481	162,097,504
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Notes forming part of the 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

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		

Note 14 (Cont'd.)

Rupees

Particulars	As at 31 March 2016	As at 31 March 2015
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

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Notes forming part of the 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

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Notes forming part of the Financial Statements

Note 18

Other Current Assets

Particulars	Rupees	
	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

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Notes forming part of the Financial Statements

Note 19

Revenue from Operations

Particulars	Rupees	
	As at 31 March 2016	As at 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	
	As at 31 March 2016	As at 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

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Notes forming part of the Financial Statements

Note 21

Finance Costs

Particulars	Rupees	
	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

Particulars	Rupees	
	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

Particulars	Rupees	
	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

Rupees		
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

Rupees		
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

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Notes forming part of the Financial Statements
Other Notes

Note 25

Derivative instruments

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

- 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.
- There were no unhedged foreign currency exposures as at 31 March 2016 (31 March 2015: Nil).
- 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-Mar-16	31-Mar-15
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

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.

Rupees

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)
Curtailment 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
Curtailment 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

Rupees

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) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Withdrawal rates		

2. Experience Adjustment – Gratuity

Rupees

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

Rupees

	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

Rupees

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.

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	

Rupees

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 writtem 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

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

Rupees

Particulars	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

Rupees

Particulars	31 March 2016	31 March 2015
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

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.

Rupees

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:

Rupees

		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

Rupees

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
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.

Rupees

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	

Rupees

Sl.	Particulars	31 March 2016	31 March 2015
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	-	-

Note 43

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

Note 44**Asset classification and provisioning**

Rupees

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

Note 45**Movement of Provisions for FY 15-16**

Rupees

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

Rupees

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

Rupees

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.

B) Exposure to Real Estate

Rupees

Category	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

Rupees

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 (36,570,644,745)	-- (--)

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)

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.

Rupees

	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.

Rupees

	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		
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	Not applicable	Not applicable

Rupees

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%

Rupees

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%

Rupees

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	-	-

Rupees

Particulars	31-Mar-16	31-Mar-15
(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- ICRA A	CRISIL BBB+ ICRA A-
C. Short Term Bank Facilities	CRISIL A1	CRISIL A2+
D. Securitization Transactions		

Particulars	31-Mar-16	31-Mar-15
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



V.S. Radhakrishnan

Managing Director & CEO



Richa Saxena

Company Secretary



Jayasheel Bhansali

Chief Financial Officer

Place: Mumbai

Date: May 11, 2016

Janalakshmi Financial Services Limited

(formerly Janalakshmi Financial Services Private Limited)

Disclosure as required in terms of Paragraph 13 of Non Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction 2007

Rupees

	Liabilities Side	Amount Outstanding As At 31-Mar-16	Amount Overdue As At 31-Mar-16	Amount Outstanding As At 31-Mar-15	Amount Overdue As At 31-Mar-15
1	Loans and Advances Availed by the company inclusive of interest accrued thereon but not paid				
a	Debentures: Secured	21,532,857,142	-	7,670,000,000	-
	Unsecured	5,982,257,800		159,757,800	-
	(other than falling within the meaning of public deposits)				
b	Deferred Credits			-	
c	Term Loans	66,957,803,548	-	29,951,503,171	-
d	Inter Corporate Loans and Borrowings	-	-	-	-
e	Commercial Papers	860,000,000	-	-	-
f	other loans -Working Capital loans	1,132,913,110	-	148,935,201	-
	Loan from directors and members	39,000,000	-	39,000,000	-
	Assets Side				
2)	Break up of Loans and advances including bills receivable (other than those included in 4 below)				
a	Secured	-	-	-	-
i	Loans to Customers	54,710,981	-	64,928,600	-
b	Unsecured	-	-	-	-
i	Loans to Customers	90,660,844,896	180,137,266	36,505,716,144	266,356,370
ii	Rental and other deposits	413,054,600	-	112,826,173	-
iii	Advance Recoverable in Cash or kind or for value to be received	562,179,833	-	344,299,634	-
iv	Interest Accrued on term deposits and loans	147,771,987	-	137,088,053	-
v	Advance Tax including TDS	1,971,218,012	-	737,411,426	-
vi	Advance to Group company	-	-	293,820	-

Rupees

	Liabilities Side	Amount Outstanding As At 31-Mar-16	Amount Overdue As At 31-Mar-16	Amount Outstanding As At 31-Mar-15	Amount Overdue As At 31-Mar-15
3	Break up of leased Assets and Stock on hire and hypothecation loans counting towards EL / HP activities				
i)	Leased Assets including lease rentals under Sundry debtors				
	(a) Finance lease	-	-	-	-
	(b) Operating lease	-	-	-	-
ii)	Stock on hire including hire charges under sundry debtors				
	(a) assets on hire	-	-	-	-
	(b) Repossessed Assets	-	-	-	-
iii)	Hypothecation loans counting towards EL / HP activities				
	(a) Loans where assets have been repossessed	-	-	-	-
	(b) Loans other than (a) above	-	-	-	-
4	Break up of Investments				
	Current Investments				
1.	Quoted				
(i)	Shares (a) Equity	-	-	-	-
	(b) Preference	-	-	-	-
(ii)	Debentures & Bonds	-	-	-	-
(iii)	Units of Mutual Funds	-	-	-	-
(iv)	Government Securities	-	-	-	-
(v)	Others	-	-	-	-
2.	Unquoted				
(i)	Shares (a) Equity	-	-	-	-
	(b) Preference	-	-	-	-
(ii)	Debentures & Bonds	-	-	-	-
(iii)	Units of Mutual Funds	-	-	-	-
(iv)	Government Securities	-	-	-	-
(v)	Others	-	-	-	-

4 (Cont'd)

Rupees

	Liabilities Side	Amount Outstanding As At 31-Mar-16	Amount Overdue As At 31-Mar-16	Amount Outstanding As At 31-Mar-15	Amount Overdue As At 31-Mar-15
	Long Term Investments				
1.	Quoted				
(i)	Shares (a) Equity	-	-	-	-
	(b) Preference	-	-	-	-
(ii)	Debentures & Bonds	-	-	-	-
(iii)	Units of Mutual Funds	-	-	-	-
(iv)	Government Securities	-	-	-	-
(v)	Others	-	-	-	-
2.	Unquoted				
(i)	Shares (a) Equity	1,000,000	-	1,000,000	-
	(b) Preference	-	-	-	-
(ii)	Debentures & Bonds	-	-	-	-
(iii)	Units of Mutual Funds	-	-	-	-
(iv)	Government Securities	-	-	-	-
(v)	Others	-	-	-	-

5. Lower Group wise classification of Assets financed as in (2) & (3) above

Rupees

	Category	Amount Net of Provisions		
		Secured	Unsecured	Total
	31-Mar-16			
1.	Related Parties			
a.	Subsidiaries	-	-	-
b.	Companies in the same group	-	-	-
c.	Other related parties	-	-	-
2.	Other than related parties	54,710,981	90,660,844,896	90,715,555,877
	Total	54,710,981	90,660,844,896	90,715,555,877
	31-Mar-15			
1.	Related Parties			
a.	Subsidiaries	-	-	-
b.	Companies in the same group	-	293,820	293,820
c.	Other related parties	-	-	-
2.	Other than related parties	64,928,600	36,505,716,144	36,570,644,744
	Total	64,928,600	36,506,009,964	36,570,938,564

6. Investor Group wise classification of all investments (current and long term) in shares and securities Rupees

	Category	31-Mar-16		3/31/2015	
		Market value / break up or fair value or NAV	Book value (Net of Provisions)	Market value / break up or fair value or NAV	Book value (Net of Provisions)
1.	Related Parties				
a.	Subsidiaries	-	-	-	-
b.	Companies in the same group	-	-	-	-
c.	Other related parties	-	-	-	-
2.	Other than related parties	1,000,000	1,000,000	1,000,000	1,000,000
	Total	1,000,000	1,000,000	1,000,000	1,000,000

7. Other Information Rupees

	Category	Amount		Amount	
		Market value / break up or fair value or NAV	Book value (Net of Provisions)	Market value / break up or fair value or NAV	Book value (Net of Provisions)
1	Gross Non Performing Assets	-	-	-	-
a	Related Parties	-	-	-	-
b	Other than related parties	180,137,266	-	266,356,370	-
2	Net Non Performing Assets	-	-	-	-
a	Related Parties	-	-	-	-
b	Other than related parties	-	117,531,354	-	176,800,094
3	Assets acquired in satisfaction of debt	-	-	-	-

For and on behalf of the Board of Directors



R. Srinivasan
Executive Vice Chairman



Richa Saxena
Company Secretary



V.S. Radhakrishnan
Managing Director & CEO



Jayasheel Bhansali
Chief Financial Officer

Place: Mumbai

Date: May 11, 2016

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Parvathi V

Small Batch Loan Customer

"My family now manages three flower shops. I now want to start a juice stall"

Janalakshmi Financial Services Limited

'Rajashree Saroja Plaza,' No. 34/1, Andree Road,
Shanthinagar, Bengaluru - 560 027

L : 080 4259 5700

W: www.janalakshmi.com