

Featured on the cover:









Fulmani Kachap

Ranchi

Fulmani Kachap dared to think differently.

It is easier said than done that a woman who follows the crowd will usually go no further than the crowd. Often a woman who walks alone faces hardships, rejections, and even failures on her way. But she is the one who will likely find herself in places where no one has ever been before. Fulmani Kachhap chose the unbeaten path and decided to walk alone.

As the wife of an auto driver and a mother of two children. Her husband used to give her just Rs. 5000 per month to run the household. At that juncture, good education for her children was a distant dream. Soon, Fulmani realised that she had to sit in the driver's seat to run her home.

Ranchi has the "Green Auto" programme for lady auto drivers with a fixed route. When she was looking for a job with flexible work hours, the project seemed perfect for her. But the first stumbling block was her auto driver husband. He opposed her plans vehemently. But she was not ready to give up her plans so easily. She decided to learn driving from a fellow lady auto driver. This decision invited arguments and skirmishes from her husband but she continued with her plans. She wanted to buy an old auto and required a minimum amount of Rs. 60, 000.

She went to a bank for the finance but the request was declined due to lack of required documents. It was then that Janalakshmi came to her rescue and offered a group loan of Rs. 30,000/- and financed her auto.

She has successfully steered her family towards prosperity. She has been repaying her loans regularly too. Fulmani's perseverance has brought a marked change in her husband's attitude.

Today, the couple earns more than Rs. 10,000 per month and they are all set to provide a good future to their children. Fulmani has paved the path for many other women to follow in her footsteps.

TABLE OF CONTENTS

Board of Directors	1
Board Committees	2
Management Team	3
Lenders – Banks & Financial Institutions	4
Historical Trends	7
Our Reach	10
Customer Connect	14
Products & Services	19
Marketing	23
Human Capital	27
Board's Report and Corporate Governance Report	32
Auditor's Report	97
Audited Financials 2016-2017	106



BOARD OF DIRECTORS

Ramesh Ramanathan	Chairman
Raghunath Srinivasan	Executive Vice Chairman
V. S. Radhakrishnan	Managing Director & CEO
Anil Rai Gupta	Director
Akhil Shriprakash Awasthi	Director
Aluri Srinivasa Rao (till 12-May-2016)	Alternate Director for Ling Wei Ong
Ling Wei Ong	Director
Narayan Ramachandran	Independent Director
Nirav Mehta (w.e.f 14-Jun-2016)	Alternate Director for Ling Wei Ong
Puneet Bhatia	Director
R. Ramaseshan	Independent Director
T. S. Sivashankar	Director
Uday Madhav Chitale	Independent Director
Vijayalatha Reddy	Independent Director
Vikram Gandhi	Independent Director
Viswanatha Prasad	Director
V. Narayanamurthy	Nominee Director (IDBI)

BOARD COMMITTEES

Audit Committee

Uday Madhav Chitale (Chairman)

Narayan Ramachandran

Puneet Bhatia

R. Ramaseshan

Raghunath Srinivasan (Pernanent Invitee)

Vikram Gandhi

Asset Liability Management (ALCO) Committee

Narayan Ramachandran (Chairman)

Akhil Shriprakash Awasthi

Ling Wei Ong/Nirav Mehta

Ramesh Ramanathan

R. Ramaseshan

T. S. Sivashankar

Uday Madhav Chitale(Invitee)

V. S. Radhakrishnan

Vikram Gandhi

Risk & Credit Committee

Vikram Gandhi (Chairman)

Akhil Shriprakash Awasthi

Ling Wei Ong/Nirav Mehta

Narayan Ramachandran

Puneet Bhatia

Ramesh Ramanathan

R. Ramaseshan

T. S. Sivashankar

Uday Madhav Chitale

V. S. Radhakrishnan

Viswanatha Prasad

Nomination & Remuneration Committee

R. Ramaseshan (Chairman)

Akhil Shriprakash Awasthi

Uday Madhav Chitale

Vijayalatha Reddy

Corporate Social Responsibility Committee

Vijayalatha Reddy (Chairperson)

Ramesh Ramanathan

Puneet Bhatia

Vikram Gandhi

Borrowing Committee

Raghunath Srinivasan (Chairman)

Narayan Ramachandran

Ramesh Ramanathan

T. S. Sivashankar

V. S. Radhakrishnan

Vijayalatha Reddy

MANAGEMENT TEAM

Bidhan Chaudhuri	Chief Operating Officer
C. P. Rangarajan	Executive Vice President - Bank Migration
Jayasheel Bhansali	Chief Financial Officer
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
Shantanu Ambedkar	Head - Treasury & Capital Markets
Statutory Auditor	Deloitte Haskins & Sells Deloitte Centre Anchorage II 100/2, Richmond Road, Bangalore - 560 025
Secretarial Auditor	Nagendra D. Rao Practising Company Secretary 543/A, 7th Main, 3rd Cross, Hanumanthanagar, Bangalore - 560 019
Registrar & Transfer Agent	Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032 Telangana State (TS) India

LENDERS - BANKS AND FINANCIAL INSTITUTIONS

Janalakshmi Financial Services Ltd.

Lenders as on 31st Mar 17

Banks

Axis Bank

Andhra Bank

Abu Dhabi Commercial Bank

Bank of India

Bank Of Maharashtra

Bank of America

BNP Paribas

Bhartiya Mahila Bank

Bank of Baroda

Canara Bank

Catholic Syrian Bank

Credit Suissue

Citi Bank

CTBC Bank

DCB Bank Ltd

Development Bank of Singapore Ltd

Dena Bank

Dhanlaxmi Bank

Doha Bank

Federal Bank

HDFC Bank

HSBC Bank

ICBC (Industrial and Commercial Bank of China)

IDBI Bank

Indian Overseas Bank

IndusInd Bank

ICICI Bank

Indian Bank

IDFC Bank Ltd

Karnataka Bank

Lakshmi Vilas Bank

Oriental Bank of Commerce

Punjab and Sind Bank

Punjab National Bank

Societe Generale

South Indian Bank

State Bank of Patiala

State Bank of Hyderabad

State Bank of India

State Bank of Travancore

State Bank of Bikaner & Jaipur

State Bank of Mauritius

Syndicate Bank

UCO Bank

Union Bank

United Bank of India

Vijaya Bank

Yes Bank

Woori Bank

NBFCs

SIDBI

MUDRA

NABARD

Tata Capital Financial Services Ltd.

Capital First Ltd.

L&TFinCorp Ltd.

Hero Fincorp Limited

IBM Global Finance

.u.

External Commercial Borrowings

OPIC (Overseas Private Investment Corporation)

NCDs

Asian Development Bank

CDC Emerging Markets Limited

IDFC Bank Limited

IndoStar Capital Finance Limited

FMO

Responsibility

The Ratnakar Bank Ltd

DSP BLACKROCK Mutual Fund

Azim Premji Trust

International Finance Corporation

Kotak Mahindra Mutual Fund

Blue Orchard

Reliance Mutual Fund

ICICI Prudential Mutual Fund

HDFC Mutual Fund

L&T Mutual Fund

IFMR Capital Finance Private Limited

UTI Mutual Fund

DHFL Pramerica Mutual Fund

Religare Mutual Fund

Baroda Pioneer Mutual Fund

BOI AXA Mutual Fund

Indiabulls Mutual Fund

Royal Sundaram General Insurance

Co. Limited

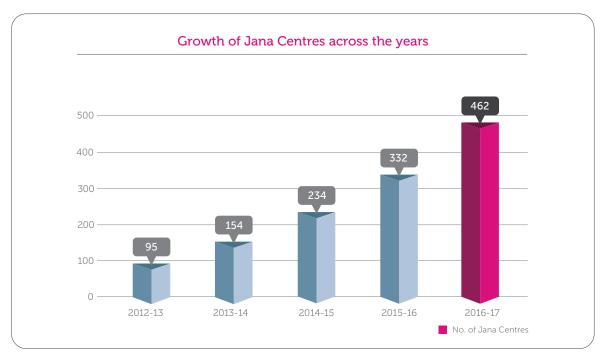
Sundaram Mutual Fund

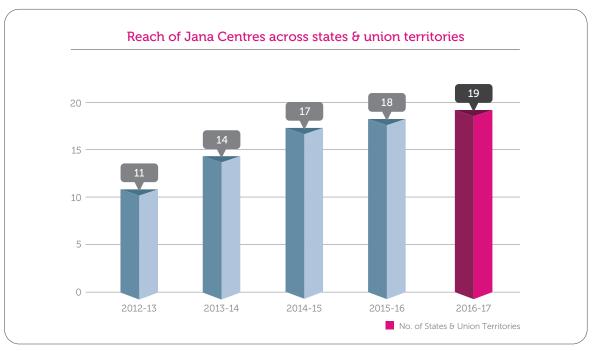
SBI Mutual Fund

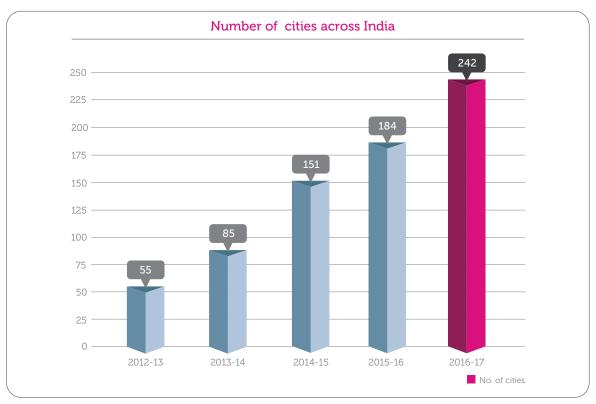
Max Life Insurance Company Limited

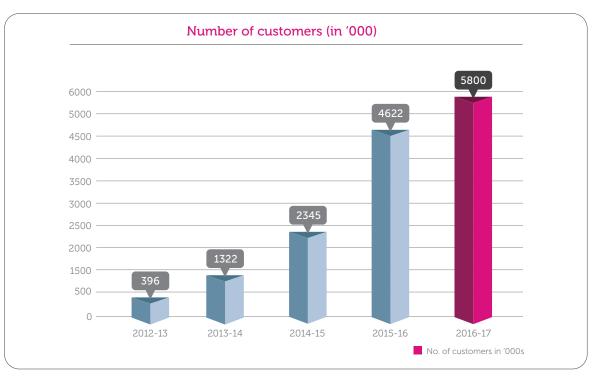


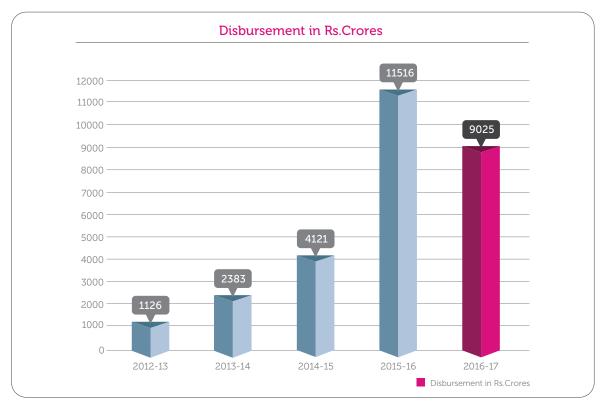
HISTORICAL TRENDS

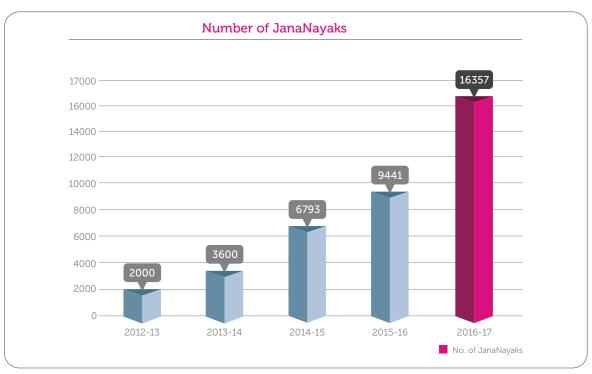












OUR REACH

State & Union Territories

NORTH

Haryana	No. of JCs
Ambala	2
Ballabhgarh	1
Faridabad	2
Gurgaon	1
Jhajjar	1
Karnal	1
Kurukshetra	1
Palwal	1
Panipat	2
Pataudi	1
Rewari	1
Rohtak	1
Sonipat	1
Yamunanagar	2

Punjab	No. of JCs
Amritsar	2
Bathinda	2
Jalandhar	2
Ludhiana	2
Patiala	2

Rajasthan	No. of JCs
Ajmer	2
Alwar	1
Bheelwara	1
Bikaner	1
Jaipur	5
Jodhpur	2
Kota	1
Kuchaman City	1
Udaipur	2

Uttarakhand	No. of JCs
Dehradun	2
Haridwar	3
Uttar Pradesh	No. of JCs
Agra	4
Aligarh	3
Allahabad	3
Bareilly	3
Bulandshahr	1
Deoria	1
Ghaziabad	2
Gorakhpur	2
Jaunpur	1
Kanpur	1
Loni	1
Mathura	1
Meerut	5
Mirzapur	1
Modinagar	2
Moradabad	1
Muzaffarnagar	1
Noida	1
Padrauna	1
Saharanpur	5
Sikandrabad	1

Tundla

Varanasi

1

SOUTH

Karnataka	No. of JCs
Bagalkote	1
Bangalore	32
Belgaum	1
Bellary	2
Bidar	1
Bijapur	1
Chamarajanagara	1
Davangere	2
Dharwad	1
Gulbarga	3
Hassan	1
Hubli	2
Mysore	2
Raichur	1
Shimoga	1
Tumkur	1

Tamilnadu	No. of JCs	
Chengalpattu	2	
Chennai	23	
Coimbatore	9	
Cuddalore	1	
Dindigul	1	
Erode	3	
Kumbakonam	1	
Madurai	2	
Nagercoil	1	
Perundurai	1	
Salem	5	
Thanjavur	1	
Theni	1	
Thiruchengode	1	
Tirunelveli	1	
Trichy	4	
Palladam	1	
Hosur	1	

EAST

Assam	No. of JCs
Golaghat	1
Guwahati	1
Jorhat	1
Karimgunj	1
Nagaon	1
Rangia	1
Sivsagar	1

Bihar	No. of JCs
Arrah	1
Aurangabad	1
Barh	1
Begusarai	1
Bhagalpur	1
Biharsarif	1
Bettiah	1
Chapra	1
Dharbanga	1
Gaya	1
Motihari	1
Muzaffarpur	1
Patna	3
Purnia	1
Sasaram	1

Jharkhand	No. of JCs
Bokaro Steel City	1
Dhanbad	1
Ghatshila	1
Giridih	1
Hazaribagh	1
Jamshedpur	2
Jhumri Telayia	1
Ramgarh	1
Ranchi	2

Odisha	No. of JCs	
Balasore	1	
Bargarh	1	
Bhadrak	1	
Bhuwaneshwar	2	
Bolangir	1	
Cuttack	1	
Keonjhar	1	
Khordha	1	
Puri	1	
Rourkela	1	
Sambalpur	1	
Sundargarh	1	

West Bengal	No. of JCs
Amtala	1
Arambagh	1
Asansol	1
Baduria	1
Bagnan	1
Baharampur	1
Basirhat	1
Bolpur	1
Burdwan	1
Cooch Bihar	1
Durgapur	1
Howrah	3
Joynagar	1
Kalyani	1
Katwa	1
Kolkata	10
Malda	1
Memari	1
Raiganj	1
Rampurhat	1
Raniganj	1
Siliguri	1
Singur	1
Tamluk	1

No. of JCs

1

Sikkim

Gangtok

WEST & CENTRAL

Chhattisgarh	No. of JCs
Bhilai	1
Bilaspur	1
Dhamtari	1
Durg	1
Janjgir Champa	1
Korba	1
Mahasamund	1
Raigarh	1
Raipur	3
Rajnandgaon	2

No. of JCs
8
1
1
1
1
1
1
1
1
1
1
1
1
1
1
1
1
1
1
5
4
1
4
1
1

Maharashtra	No. of JCs
Ahmednagar	1
Akola	2
Amravati	2
Aurangabad	2
Barshi	1
Bhandara	1
Bhiwandi	1
Gondiya	1
Ichalkaranji	1
Jalgaon	1
Kalyan	1
Kolhapur	2
Latur	2
Mumbai	15
Nagpur	8
Nanded	2
Nashik	2
Navi Mumbai	2
Osmanabad	1
Palghar	1
Pune	9
Sangli	1
Satara	1
Shrirampur	1
Solapur	3
Udgir	1
Wardha	1
Yavatmal	1

Jabalpur	3
Katni	1
Khandwa	1
Khargone	1
Nagda	1
Ratlam	2
Sagar	1
Satna	1
Sehore	1
Ujjain	2
Vidisha	1
Union Territories No. of JCs	

Union Territories	No. of JCs
Delhi	10
Pondicherry	2
Total JCs	462

Madhya Pradesh No. of JCs

Madriya i radesir	140. 01 003
Bhopal	4
Chattarpur	1
Chindwara	1
Dabra	1
Dewas	2
Dhar	1
Guna	1
Gwalior	2
Harda	1
Hoshangabad	2
Indore	7



CUSTOMER CONNECT

Jana Urban Services for Transformation (JUST), a 100% subsidiary of Jana Urban Foundation, is a professional services social enterprise engaged in enlarging economic opportunities for the underserved sectors in urban India. The main business verticals within JUST include:

- Customer Insights This team acts as the anchor for the customer centricity initiatives undertaken at JFS and includes market and consumer research.
- ii. Financial and Business Advisory Services This team undertakes advisory services for the SB, Nano and Emerging Micro segments within JFS.
- iii. Community Connect The team undertakes community engagement activities including skilling and livelihoods, recruitment as well as social activities for customers at JFS storefronts (Jana Pragati Centre/Jana Centre).

Advisory Services

Personal Financial Advisory

Financial Advisory is an important aspect of our customer-centric ethos that ensures that our target audience - the urban underserved - not only has access to relevant and tailor made financial products, but also, the associated advisory services to help them better understand their overall financial position as well as improve their ability to select product and services are best suited to their needs.

This advisory service, provided through our sister concern JUST, is delivered by trained professionals through our customized Arthika Nakshe (AN) – literally translated as Financial Plan sessions with either a one-on-one discussion with our clients or group sessions held at our Jana Centres and Jana Pragati Centres. At the end of each session, we provide the client with a personalized report which captures the clients' present financial status, their key financial goals as well as the commitments made by them during the session to

achieve the identified goals. Typical examples of commitments made by clients include reduction in unwanted expenses, increase in their formal savings, regular tracking of their business income and expenses separately from their other household income and expenses, as well as committing to draw a monthly salary from their business. As we transition to a Small Finance Bank and expand our product suite, we will be able to guide our customers to formal saving instruments like Fixed Deposits, Insurance as well as Digital Payment Channels as part of our personal advisory services.

During FY March 2017 (specifically, Apr'16 -Nov'16), we completed over 62,000 one- onone Arthika Nakshe sessions for our 'Nano' clients. In the period post demonetization, i.e. Dec'16 to Mar'17, given the disruption in the repayment cycles of our customers, we shifted our advisory focus to conducting carefully scripted outreach programs. Topics included: the importance of maintaining credit discipline, the negative impact of delays in repayment of loans taken from the formal sector (MFIs/Banks), and how maintaining a clean repayment track record was key to good scores from Credit Bureaus. This, in turn, was vital for availing future loans from the formal sector as well as for improving their own financial well-being. These outreach programs were done both on a one-on-one basis with clients during our regular collection cycles as well as in group sessions held at our storefronts.

Business Advisory - Formalization Services

As a part of our Advisory Services, we are currently building our formalization Services to support our Nano and Emerging Micro enterprise clients. Our solution is targeted at those fledging enterprises that are at the bottom of the financial inclusion pyramid on account of not being "formalized" i.e. they live in a universe where both identity documentation as well as formal processes to

build and grow their businesses are inadequate. This lack of "Formalization" makes this segment unattractive for lending by the formal financial sector as the regulatory requirements and traditional sourcing models lean heavily on the use of documented proof (standard KYC, P&L & books of account etc.) to establish identity, and more importantly, business health.

Through our Formalization solutions, we seek to address this problem of exclusion (from the formal world of financial services) for our clients. By increasing financial awareness and capability of these enterprises through our Formalization solutions, we believe we can positively impact their business growth as well as overall financial well-being.

In keeping with the needs of this target group, Formalization has been developed as a 7 - step process, starting at a basic level with "Business being recognized as an independent entity" i.e. separation of income and expenses of the individual (personal) and the business, moving through the steps to "Business being recognized as a formalized entity" at the highest level at which stage the business is registered, has a bank account, has accounting systems, a formal payroll system and files direct and indirect tax returns.

JUST's "Formalization Needs Assessment Methodology" is a framework that helps assess the level of formalization of an enterprise using a "Degree of Formalization" (DoF) score in tandem

with a psychographic profiling score to classify an enterprise into a unique segment based on its Formalization Needs. The aim is to then use the DOF score to deliver Formalization Services to our clients in a targeted fashion.

We currently offer Step 1 of the Formalization Services Tapestry to our Nano enterprises through the Personal Advisory session that details for the customer (typically the proprietor) why it is important to separate expenses and income of the enterprise and the individual. This first advisory session therefore combines "Financial Goal Setting" with "Separation of Income and Expenses". Step 2 relates to opening a bank account for the business and will be introduced as we start banking operations. Steps 3, 4, 5 and 6 of the Services Tapestry - Registration of the enterprise, Maintaining Books of Account and Filing Tax Returns including GST -- are in pilot stage in close partnership with an established CA firm and will be rolled out over the course of the year.

Business Advisory – Consulting Services

The Business Consulting Services provided through JUST in partnership with IFMR Lead and Ideas42 include modules like a) Inventory Management b) Supplier Management c) Trade Credit d) Cash Separation etc. These services are provided through an IVR based mobile platform using a heuristic based approach to training. These services are presently in testing phase in select regions and will be scaled up pan-India.



Touching Customers' Lives Through Community Connect

At Janalakshmi, we aim to transform the lives of our customers through economic inclusion that goes beyond the mere providing of financial services. Anchored by our sister concern, JUST, the community engagement activities offered at our Jana Pragati Centres (JPCs) cover income enhancement initiatives includina skillina. entrepreneurship training and recruitment, as well as support on vital social issues like health, education and general awareness programs. Over the last year, we have gradually increased the number of our JPCs offering community engagement activities from 2 storefronts in Bangalore to 68 storefronts operating across India. The JPCs activities have impacted over 30,000 lives in the last year alone.

We strongly believe that 'what is good for the community is good for business,' and that our efforts in reaching out to our customers and impacting their lives will yield positive results in the form of increased loyalty and customer engagement over time.

Overview of Activities Carried Out at Jana Pragati Centres

1. Economic Training

We provide skills training to our customers, their family and referred friends through partner organizations. These skilling programs are provided both at the JPCs and partner locations, with an aim to help our clients to improve their income either through employment opportunities well-established corporates through improvement in the financial performance of their entrepreneurial ventures. Over the last year, over 4000 women and youth were trained at our JPCs in a variety of courses including tailoring, embroidery, handicrafts, artificial jewellery, confectionary, baking, beautician courses etc. Additionally, in the last year, 789 candidates were referred to our partner skilling institutes. Over 90% of these candidates have been placed in various companies and have started earning an average of Rs. 10,000 per month.

As we move ahead in the current financial year, we are focused on building pan-India collaborations with NCDs certified skilling partners for the programs conducted at our JPCs. These collaborations will replace some of the local skilling partnerships currently in place and will therefore improve the prospects of the participants in finding employment with reputed firms. Separately, we are also working on identifying partners to create meaningful market linkages to help women entrepreneurs run small businesses out of their own homes, post skill training at our JPCs. We are also tying up with social enterprises to provide practical entrepreneurship training to qualifying women participants.

2. Community Recruitment

To help our customer community enhance their incomes, we provide job opportunities within JFS and other Jana Group companies. These recruitments are organized through Jana Udyog Melas, or large job fairs, held periodically. In the past year, 637 JanaNayaks were recruited into the Jana Group through the Community Recruitment initiative. In the current year, we are reaching out to other corporates, to widen the choice of employment avenues for the communities in which we operate.

3. Health Camps

Health is an important support service provided through our community connect initiative. This activity draws in a large number of our customers to the health camps held regularly either at the JPCs or at community halls in the vicinity of the JPCs. Over 50 preventive health camps including eye camps, immunization camps and dental camps were organized last year. Recent initiatives include tie-ups with reputed medical organizations to conduct health camps at our JPCs.

4. Social Awareness

We have collaborated with established partners, including Art of Living and Alcoholics Anonymous to educate customers on topics like health, alcoholism, wellness through yoga, right to education, domestic abuse etc. In addition, we conduct summer camps for our customers' children during their school vacations.

We had over 24,000 participants for our social and health initiatives over the last year, an overwhelmingly positive response!

5. Jana Champions

Jana Champions are our 'eyes and ears' in the community who understand the needs of the community, help us in mobilizing participants for various activities conducted at the JPCs, and also assist in disseminating information which we wish to communicate to our customers. We currently have 1020 active Jana champions across our JPCs. These "force multipliers" are an integral part of our scale-up strategy.

Customer Centricity And Value Addition

Jana Basics

Over the last few years, we have been working with our customers, to ensure they feel welcomed at our Jana Centres.

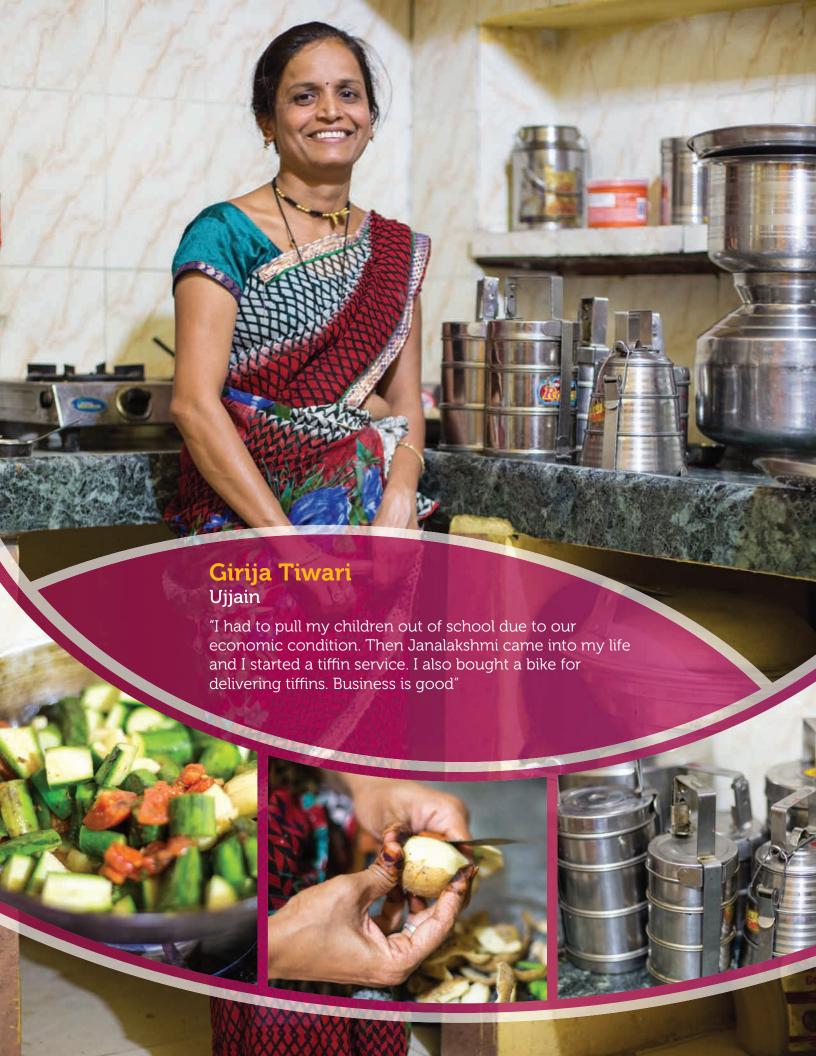
Jana Basics program was introduced with the objective of providing an enhanced experience to our customers, ensuring they got basic facilities (Clean Drinking Water, Clean Toilets, Kids Zones, Infant Feeding Zone) at our Jana Centres. All the initiatives run under the Jana Basics program were a part of a larger vision to help build a culture of customer centric innovation at Janalakshmi.

Two Jana Centres: RM Nagar (Karnataka) and Jothwara (Jaipur, Rajasthan) were selected as prototype models in July, 2015. The prototype Jana Centres were closely monitored, and adjustments were made to services being provided as need be. Feedback sessions were conducted to foster open interactions between our customers and JanaNayaks. Within a year and half of the prototype, 97 Jana Centres were covered under Jana Basics program, making it a scalable pilot. Customer satisfaction levels at these centres showed significant increase. Given the resounding success of the pilot, all the Jana Centres opened post July, 2016 were launched with Jana Basics.

SOLACE Lab

Janalakshmi has always aimed to be a strategic partner for its customers with a clear understanding that we need to keep our ears close to the ground, listen to the customer and create/adapt our offerings to provide real value to them.

In aligning various parts of the organization to become customer centric, we have developed our own framework for bringing alive customer centricity. We have called this the SOLACE framework- Segmentation, Offerings, Loyalty, Advisory Services and Channel Experience. For each Segment of our customers, we aim to deliver a customized and customer-centric set of Offerings, Loyalty programs, Advisory services and Channel Experiences. In bringing this framework alive, we plan to identify the needs of every customer segment and ensure that our product development, offerings, services and delivery are structured around these identified needs.



PRODUCTS & SERVICES



A. Retail Assets

Small Batch Loan

Small Batch Loans is our core product through which the credit needs of lakhs of financially underserved households are met. A small batch loan is provided to individuals in a group comprising a minimum of 5 and a maximum of 25 women. The loans are based on group guarantees. After completion of each cycle or tenor of a loan a customer can avail of another loan generally of a higher amount. 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. The Frontline Operating System (FOS) which is used for acquisition by the frontline teams has digitized acquisition and made the process largely paperless

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 thereby improving the standard of living of our customers. The product is offered to customers with a proven credit history after they

have completed 18 months in a small batch loan structure. The loan amount ranges from Rs. 50,000 to Rs. 1, 25,000 for a tenure of up to 36 months.

Nano Loan

Nano Loan is our offering for individual businesses, which allows micro entrepreneurs to finance working capital or to invest in equipment. Nano loan is offered to customers with a proven credit history after they have completed 18 months in a small batch loan structure. The loan amount ranges from Rs. 60,000 to Rs. 2, 00,000 for a tenure of up to 36 months.

Education Loan

The education loan product is designed to fund the school-going child's tuition fee, admission fee, exam and library fee, purchase of text books, uniforms and other school-related material. This product is offered to all existing small batch loan customers with a ticket size of up to Rs. 50,000 for a period of up to 24 months.

Housing Loan

Janalakshmi 's housing loan product 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.

Rural Financial Services

Rural financial services is an important part of the organisation's strategy to cater to small and marginal farmers, the offerings are

Jana Kisan, our group loan offering targeted at small and marginal farmers from rural ϑ semi urban locations. The product is offered for mixed farming and dairy activities like cattle purchase ϑ

cattle maintenance. Average ticket size is Rs.45,000 with tenor of 2 years. Product is targeted for both male ϑ female customers with existing farming ϑ dairy activities.

Jana Kaylan, our individual agri loan offering targeted at the small & marginal farmers from rural & semi urban locations. Loan ticket size varies between Rs 60,000 to Rs 1,50,000 with loan tenor up to 3 years. The product has two variants i.e. Dairy and mixed farming.



B. Enterprise Financial Services

EFS caters to the business requirements of Micro and Small enterprises by providing short term and long term business loans. The business loans are given for working capital, machinery purchase or any other business requirement and the tenor ranges from 18 months to 120 months. The EFS customer segments are broadly divided into two categories - (i) Emerging Micro and (ii) Micro and Small Enterprises.

Emerging Micro Segment (Business First Loans)

Our Business First loans provide the last mile credit delivery to very small business enterprises. Graduating Nano customers and open market customers with turnover up to Rs.50 lakhs p.a. having a daily cash flows from the target group for lending. Bulk of these enterprises do not have access to bank credit due to their low level of formalization like registration or absence of financials. Loans are given to enterprises in the six sectors like Retail, Eateries, Education, Transport & Logistics, Construction and Healthcare (HECTER),

which together form more than 70% of enterprise population. The unique features of these loans are doorstep service for on boarding and collections and convenient repayment through Equated Daily Instalments (EDI). Loans range from Rs.1,00,000 to Rs.10,00,000 and for a maximum tenor of 40 months.

Micro & Small Enterprises (MSE)

MSE segment are enterprises having annual turnover of more than Rs.50 lacs p.a. and operating in the six HECTER sectors and Manufacturing. MSE loans range from Rs.5 lakhs to Rs.50 lakhs with a maximum tenor of 120 months. Secured Loans are given for short term working capital purposes, for purchase of machinery and for any business purposes. Typically the Long term business loans (LTBL) are secured by equitable/registered mortgage of self occupied property of the applicants. Machinery loans are secured by the hypothecation of machinery purchased.



C. Insurance

JFS encourages customers to secure credit through life and general insurance in partnership with Bajaj Allianz Life Insurance Company, HDFC Life Insurance Company, Royal Sundaram General Insurance Company and Kotak Life Insurance Company



D. Pre-Paid Card

JFS in partnership with DCB has launched the Janajeevan Card. It is a general purpose reloadable Prepaid Card linked to a prepaid account that is opened with DCB Bank. The card is supported by the Visa platform and gives access to funds 24X7. The card can be used at all ATMs and merchant locations that accept Visa cards.

For the JFS group loan customers interested in a prepaid card the disbursements are on the digital platform thus eliminating the risks of physical handling and storage of cash. The card is currently offered to our customers for free



MARKETING

Likho Apni Kahaani

We are defined by our purpose and our brand promise - Likho Apni Kahaani. Our customers and JanaNayaks (employees) embody what we stand for and we have brought 'Likho Apni Kahaani' into every aspect of our work.

Each of us have a unique story. Each of our stories has been defined by our own convictions and values. It is important as we look ahead, to remember these experiences. Since it is in the uniqueness that we will find the true value of our own stories and from those experiences, actually comes our beliefs in our value systems. Our own

stories are not just about our past, but they define the trajectory of our future.

In the same manner, we have plenty of customers who have managed to fight their difficulties and create their own future. In order to felicitate some of these customers, we invited them to Bangalore and helped them share their success stories with thousands of JanaNayaks on the 'Jana Diwas'. We also broadcasted the success stories of 2 of our customers — Shaida Illiyas Pasha and Rani on cable to show how hard work can help in shaping a better future.











Jana Diwas (Foundation day)

August 16th, 2016 marked the birth of our foundation day – **Jana Diwas**, where we celebrated the courage and commitment of each and every one of our customers across the country. We launched a nation-wide contest across JFS to source hundreds of heart touching stories. Finally, seven were handpicked for the first

Jana Diwas at Bangalore, where the selected customers were felicitated and were invited to share their success stories. The event was aired live across more than 330 Jana Centres across the country. Additionally, each Jana Centre felicitated customers in their regions.

Mahila Diwas (Women's Day)

In order to intensify our focus on our key regions and to ensure that we continue to focus on 'Women Empowerment', we decided to engage extensively with our communities in these regions and hence the Marketing activities were focused to engage with the communities. For example, we celebrated **Mahila Diwas (Women's Day)** which collectively witnessed participation of over 2800 women across the country who shared their stories inspiring stories of achievements.



Varatchi Thadukkum Pani

Another key area of focus was 'Water sustainability'. In 2017, we announced 'Varatchi Thadukkum Pani', a unique drought mitigation program designed to support the farmers in Salem. For this initiative, JFS partnered with DHAN Foundation which plays a significant role in the area of water sustainability. Through this program, JFS now supports renovation of existing water bodies and creation of new rain water harvesting structures as drought mitigation measures. The proposed project would bring cultivation in 696 acres of land and reduce cost of cultivation which would directly impact the livelihoods of approximately 690 small and marginal farmers. Also, it is expected that 290 wells will be



recharged by this program and expected two hours of supply during summer leading to an additional income of 30% to 35% to the farmers in this area.

Clean Elliot's Beach



We also organized a massive drive to "Clean Elliot's Beach" at Besant Nagar in February 2017 at Chennai. Over 1200 JanaNayaks participated in this clean-up drive the first initiative under the Jana Swachhata Abhiyan.

Credit Rating Education Series

Post November 2016 during difficult times, we held hands of our customers and engaged in massive outreach programs to help them through the challenging times. At times like this, through our consumer insights we realised that our customers have low financial literacy, particularly

about Credit Ratings which could put their financial future in jeopardy. Hence, we took it on us to impart education which would be beneficial for the financial future of our customers.

Credit Rating Education Series was conceptualized and designed to create awareness about Credit Rating and its impact on future loans for our customers and the same was communicated through Interactive explanatory videos by credit rating experts, Press Interviews and Press Releases supported by on-ground events.

Through 2017, we will continue to focus on these priority areas where we engage directly with the communities we work with and can make a difference.



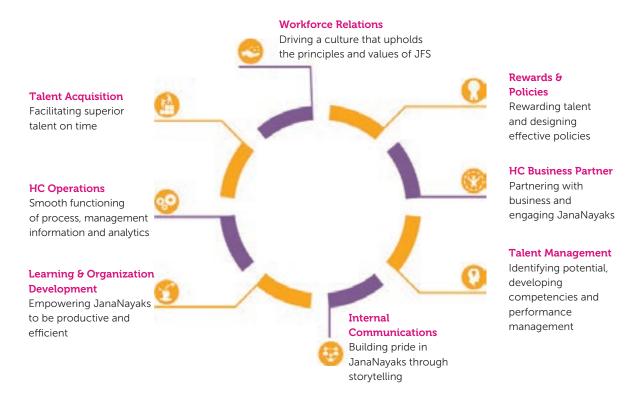
HUMAN CAPITAL

Building the Human Capital Function

2017 was a memorable year at JFS as we received the license from RBI to become Jana Small Finance Bank. Over the past year, the Human Capital (HC) team's main focus has been on the bank hiring and training to ensure a well trained workforce and a smooth transition to the bank.

The HC team has grown from 123 a year ago to 224 across all zones and the Head Office. HC added an eighth vertical, Workforce Relations, to the existing verticals: Talent Acquisition, HC

Operations, Rewards & Policies, HC Business Partner, Learning & Organization Development, Internal Communications and Talent Management. Workforce Relations' charter is to build and drive a culture that upholds the principles and values of the organization and to ensure adherence to JFS's code of conduct. The remit of the team is to create awareness among JanaNayaks about the culture of the organization and to offer uniform solutions to cases of non-adherence.



Growth opportunities abound for JanaNayaks in Jana Small Finance Bank, in the banking as well as the microfinance business. Disha, an interactive (mobile and web-based) and customized platform, allows JanaNayaks to plan their career

growth by providing them with a complete view of all the job roles in all functions. The app provides a closer connect to the HC team to help bridge gaps so that a JanaNayak can pursue his/her dream role with Janalakshmi.

Given our business model and to achieve our ever-growing target, HC constantly looks at newer ways to create a suitable talent pool for JFS to serve as a continuous talent pipeline for business requirements at the Head Office and the zones and to cater to our expansion needs.

Concerted efforts have been made to reduce the cost per hire and to improve the quality of hiring. Campus hiring has been a powerful way of recruiting future talent for JFS. Our approach for 2016 was to have a differentiated pay strategy for colleges with a higher ranking to ensure that we get the best talent from the institutions. We recruited

207 Management
Trainees (MTs) in
2016-2017 and 540
Executive Trainees
(ETs). MTs have been
hired from 35 premier
institutes from all
over the country and
ETs from premier
business schools and
professional institutions.



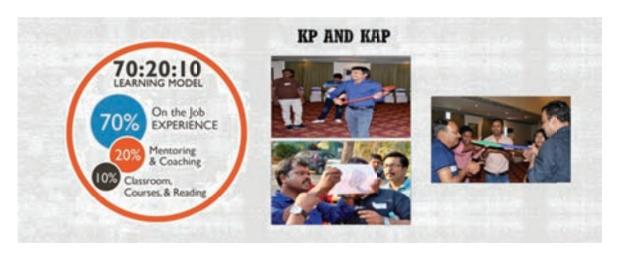
HC Operations rolled out nine new modules on PeopleWorks, the HRMS, including recruitment offer letter decentralization, performance letter automation via email and the recruitment module. 249 enhancements were made and eight major interfaces were enabled. These improvements help us move to an automated system as the number of JanaNayaks rapidly increases. These modules are also critical in helping JanaNayaks, the TA team and HC

Operations with faster delivery and reducing TAT.

With an aggressive focus on building deep and diverse Human Capital, Learning & Organization Development continues with its agenda of up-skilling JanaNayaks and supporting them in operations as well as leadership roles. In order to manage the change brought about by the introduction of the soon to be Jana Small Finance Bank, over 14,000 JanaNayaks were trained in a one-day Banking Awareness Program. JanaNayaks were introduced to banking as an industry and what the transition means for Janalakshmi. A primary objective of the program

was to create awareness among JanaNayaks who will continue to work at Jana Centres and Jana Pragati Centres, about how their role remains important and how they can contribute to making the bank a success.

The first batch of Kalam Program (KP) for Area Heads was initiated in October 2016. KP focuses on helping JanaNayaks build leadership skills, empowering them with supervisory skills with a key focus on behavioural aspects that will help in effective leadership. The Kalam Advanced Program (KAP) was also successfully conducted for Jana Centre Heads. To date, 346 Area Heads and 123 Jana Centre Heads have been trained under the KP and KAP programs, respectively.



A major engagement initiative of the year was the Jai JanaNayak roadshow, which gave all JanaNayaks and senior leaders the opportunity to meet and interact. JFS's senior management travelled to seven cities from November 20 – December 22, 2016 and addressed JanaNayaks

in 12 day-long sessions. The objective of Jai JanaNayak was to celebrate the inimitable spirit of our teams and to announce the imminent bank launch and career opportunities available to JanaNayaks.





JFS's new values, I-RISE, were unveiled at the Jai JanaNayak road show. I-RISE (I - Integrity - Respect, Innovation, Service, Excellence) represents the values that JFS stands for and reflects the culture of the organization. I-RISE is

now being communicated to JanaNayaks in all Jana Centres through street plays so that everyone can imbibe the values through simple depictions of real-life circumstances faced by JanaNayaks in the field.











The HC team also launched the EXEMPLAR program at Jai JanaNayak that identifies and rewards JanaNayaks whose behaviour is noteworthy or who have made a meaningful difference in a manner that surpasses their KPIs and goal sheets. The program aims to identify five behaviours that embody our core values: Customer Centricity, Innovation, Volunteerism, Ownership and Personal Mastery. The first batch of winners was felicitated at Jai JanaNayak.

In an effort to create a broader leadership team and to help with the bank transformation, two leadership forums were formed in January 2017. The Zonal Leadership Councils will oversee zonal performance across all functions. Similarly, a National Leadership Council, a company-wide forum, whose principal focus will be around communication and messaging was also formed. These forums are aimed at helping systematic thinking and encouraging action in a boundary less manner; to help build alignment to the overall strategy and culture. The leadership forums will aim to encourage enterprise thinking and create avenues for communication and participation in projects of strategic import.

JFS's annual engagement survey, Speak Up, was conducted with the help of Aon Hewitt, and completed in December 2016. All survey responses were strictly anonymous. The headline number and the key barometer of engagement, the overall engagement index, has moved decidedly for the better this year; JFS engagement level is at 74%, up from 69% achieved last year. What's more, this was done with significantly greater participation this year. It is a matter of pride that 94% of eligible JanaNayaks participated and provided feedback, up from 78% last year.

In the year ahead, the Human Capital team will enhance its focus on our internal customers; the JanaNayaks. Our efforts will centre on providing JanaNayaks a better experience and work environment, including various aspects of what we do, such as providing a great hiring experience, awesome learning and growth opportunities, simple and effective communication, superior engagement, better policies and incentives, easy access to information, quick response and resolution of issues. It will be a landmark year for strong engagement and connect with our JanaNayaks.



BOARD'S REPORT

To the Members,

The Directors have pleasure in presenting to you the Eleventh Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017.

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

(Rupees in Crores)

Particulars	FY 2015-2016	FY 2016-2017
Gross Income	1,784.54	2,978.44
Profit Before Interest and Depreciation	1,028.65	1,698.82
Finance Charges	755.10	1,231.74
Gross Profit	273.55	467.08
Depreciation	35.34	61.86
Profit Before Exceptional Item and Tax	238.21	405.22
Exceptional item	-	150.00
Profit Before Tax	238.21	255.22
Provision for Tax net of Deferred Tax	77.92	85.12
Profit After Tax	160.29	170.10
Profit brought forward from the previous year	82.39	205.43
Profit available for appropriation	242.68	375.53
Proposed Dividend :		
Preference Shares	0.00	-
Equity shares (Interim dividend for FY16-17)	4.32	13.42
Tax on Dividend	0.88	2.73
Transfer to Statutory Reserve	32.06	34.02
Transfer to General Reserve	-	-
Surplus carried to the Balance Sheet	205.43	325.36

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, government polices, etc.

Management Discussion and Analysis Macro- Economic Environment

Macro-economic indicators for the year have remained challenging against the backdrop of increased stress on asset quality.

India's GDP growth for FY 2016-17 is expected to be at 7.1% compared to the growth rate of 7.9% in FY 2015-16 (per Central Statistical Organization's second advance estimates). This is expected to ease in the coming years with faster pace of remonetisation and forecast of a normal monsoon. The Federation of Indian Chambers of Commerce and Industry survey indicates GDP growth of 7.4% in FY 2017-18, as the economy is gaining momentum to have been led by stepping up of capital expenditure, boosting of the rural economy, demand for affordable housing and roll-out of GST in July-2017.

Both Wholesale Price Index and Consumer Price Index inflation have remained under control throughout FY 2016-17. CPI inflation declined from a high of 4.9% in FY 2015-16 to 4.5% in FY 2016-17. The inflation trajectory will remain in the range of 4-5% for the next 2 years with the possibility of a downward bias. Industrial Production (IIP) grew by 5.0% in FY 2016-17 compared to 3.4% in FY2016. The manufacturing sector, which has been the most volatile, grew by 4.9% in FY 2016-17 as against 3.0% growth in FY 2015-16. Mining and Electricity grew by 5.3% and 5.8%, respectively in FY 2016-17.

Current account deficit has been narrowing down from 1.7% of GDP in FY 2016 to 0.3% in H1 FY 2016-17 and is expected to improve further. India's export growth, which was in the negative territory in the first half of FY 2016-17, rebounded significantly in the second half and recorded a

growth of 27.6% in the last month of FY 2016-17. The main contributors for the improvements in CAD are declining crude oil prices and reduction in import of gold. (as per the Economic Survey presented by the Finance Minister in January 2017).

During the financial year the Reserve Bank of India (RBI) announced two rate cuts to reduce the reporate to 6.25%. New borrowers can expect to benefit from the rate cuts, as lending based on the Marginal Cost of Lending Rate (MCLR) has been implemented in this fiscal.

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

Pradhan Mantri Jan Dhan Yojana:

This key initiative launched in August 2014 is continued to gain momentum during FY 2016-17 as well. As of 29th March 2017, 28.17 crore bank accounts had been opened (16.86 crore accounts in rural areas and 11.31 crore accounts in urban areas) under the Pradhan Mantri Jan Dhan Yojana. The outstanding balance in these accounts as on that date was Rs. 62,972 crores with a growth of 77% over the previous year deposit base of Rs.35,672 crores. There has been an increase in the average ticket size by 34% compared to the previous year, signalling effective mobilization of depositors' idle savings and increasing financial literacy awareness among depositors. 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 URL http://www.pmjdy.gov.in

Pradhan Mantri Mudra Yojana (PMMY):

The total disbursement during the year was Rs. 1,75,312 crores under the Pradhan Mantri Mudra Yojana (PMMY), with emphasis on providing financial support to women entrepreneurs. Previous year figures indicate 2.76 crore women were funded through the scheme (79% of total).

{Source: Mudra Website

(http://www.mudra.org.in/Home/ShowPDF)

Payments

Demonetisation and then a massive push for digital transaction indicates the central government's strategy towards curbing black money and corruption. The current Indian economy which is largely a cash based for now is being pushed towards digital payments. The government and RBI have been announcing various schemes and incentives to move towards cashless transactions in India.

The Unified Payments Interface (UPI) has been created for seamless funds transfer across banks using virtual address which is smartphone friendly. For those with basic phones without internet access, Unstructured Supplementary Service Data (USSD) based mobile banking has been introduced. Post demonetisation, there was a greater push for BHIM, AePS (Aadhaar enable Payment System) and BharatQR. BHIM (Bharat Interface for Money) is a payments app which also supports UPI and Aadhaar Pay. Aadhaar Pay is a system based biometric payment authentication, which uses the Aadhaar linked bank accounts and does not require any login, card or App from account holders; it requires vendors to register with Aadhaar pay and have biometric devices for authentication. Now with the BharatQR launched there is no need for PoS machines and payment of transaction fees. BharatQR is common QR across VISA, MasterCard and RuPay cards. Prior to BharatQR there were different QR codes for each payment solution provider like mvisa, Masterpass QR, QR codes of mobile wallets like Paytm, MobiKwik, FreeCharge etc.

Micro Finance Industry -Key Highlights And Developments

The Microfinance industry witnessed a significant drop in the outstanding loan growth rate, from 84% in FY16 to 25% in FY 2016-17. While there was growth across key performance indicators in FY 2016-17 the growth rates were largely muted compared to earlier years across important parameters.

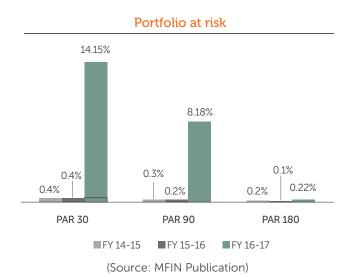
(Data pertains to 46 NBFC-MFI's that are members of MFIN)

Particulars	FY 2015-16	FY 2016-17	% increase over PY
Disbursements (Rs. in crores)	44,324	50,266	13%
Gross Loan Portfolio (Rs. in crores)	37,469	46,847	25%
No. of clients (crore)	2.12	2.75	30%
No. of employees	58,038	86,440	49%
No. of branches	6,867	9,012	31%
Employee Productivity (# of clients)	365	318	-13%

(Source: MFIN report - Micrometer Issue 21 - Dated 31st March 2017)

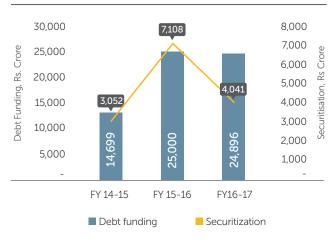
Post November-16 there has been a significant deterioration in the portfolio quality in FY 16-17. Portfolio at risk (PAR)>30 has increased to 14% from under 1% in previous years. This abnormal

increase in PAR is attributed to lower recoveries which resulted in a temporary shortage of cash and related impact on income and livelihoods of low income households



During FY 16-17, MFIs received a total of Rs 24,896 Cr in debt funding (from Banks and other Financial Institutions). This represents a marginal drop when compared to FY 15-16. The group of large MFIs account for 91% of total debt funding received in FY 16-17. There was a significant 43% drop in securitization when compared to the last year.

Debt Funding and Securatization (Annual, Rs. Crore)



(Source: MFIN Publication)

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.

Janalakshmi Financial Services (JFS)

Janalakshmi Financial Services received the final license to operate as a Small Finance Bank on 28th April 2017. The company is in the process of setting up the capabilities to launch Small Finance Bank Operations.

What does this transition mean to JFS' existing customers?

The licence to operate a 'Small Finance Bank' will enable all existing customers (5 million+) of Janalakshmi Financial Services to access financial services beyond the scope of microfinance. This is aimed at addressing financial inclusion and to empower the unbanked segments of the society with several financial tools such as savings account, cashless transactions and so on. The bank is also building innovative financial products which every aspiring Indian wants to avail.

 Customers can now avail financial services beyond the scope of microfinance. They can open a savings account or a current account,

- will be able to borrow different types of loans and will be able to avail benefits from cash deposit schemes and so on.
- Besides availing micro loans, they can also seek loans for their businesses or Small Medium Enterprise, towards farming and for unorganized sector entities.
- Jana Small Finance Bank will continue to provide banking products to the unserved and under-served sections of the country at an affordable cost.
- All customers of Janalakshmi financial services will automatically become customers of Jana Small Finance Bank with no change in their loan status.
- This is a large step towards addressing the unbanked across various pockets of the country and thereby bringing them under the ambit of the banking system.

1a: Financial and Risk Management

Operational & Financial Highlights

JFS faced a challenging financial year post November-16 with issues impacting asset quality during the last quarter of the financial year. The company has also been adversely impacted by rumours relating to its financial condition and its promoter, resulting in high delinquencies in some states. This was also a year in which significant investments were made in transitioning to a Small Finance Bank.

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

(Rupees in Crores)

Operating Highlights	FY 2015-16	FY 2016-17
States	18	20
Cities	184	230
Jana Centres	332	440
Jana Pragathi Centre	2	68
Customers	4,622,578	5,888,750
JanaNayaks	9,441	16,357
Disbursement for the year (Rs. Crores)	11,516	9,023
Gross Loan Portfolio (GLP)* (Rs. Crores)	10,988	12,808

^{*}GLP includes securitised portfolio amounting to Rs.1,027 crores. (Previous Year- Rs.1,915 crores)

Summary Financials and Key performance indicators

(Rupees in Crores)

Key Financial Highlights	FY 2015-2016	FY 2016-2017	% growth over Previous Year
Gross Interest Income	1,505	2,710	80%
Cost of Borrowings	755	1,232	63%
Net Interest Income	750	1,478	97%
Processing Fee Income	125	103	(18%)
Other Income	154	165	7%
Total Gross Income	1,784	2,978	67%
Total Revenue (Net of Finance Cost)	1,029	1,746	70%
Operational Expenses	696	1,190	71%
Credit Costs	95	151	59%
Profit Before Exceptional Item and Tax	238	405	70%
Exceptional Item (Contingency Provision)	-	150	-
Profit Before Tax	238	255	7%
Tax Amount	78	85	9%
Profit After Tax	160	170	6%

Key Financial Indicators

(Rupees in Crores)

Key Financial Ratios	FY 2015-16	FY 2016-17
Capital Adequacy Ratio	17.35%	23.90%
Return On Assets	2.02%	1.28%
Return On Average Equity	13.94%	7.35%
Cost to Income Ratio	67.63%	68.13%
Gross NPA	0.25%	0.69%
Net NPA	0.18%	0.55%
Bank Borrowings/ Shareholders' funds	5.04	2.28
Debt / Equity Ratio	7.86	4.87

CAR and Debt Equity Ratio

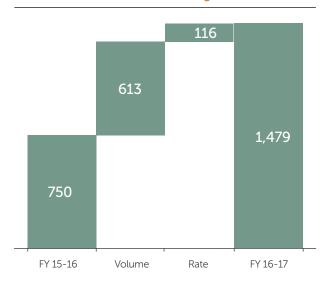
JFS ended FY 2016-17 with a healthy CAR of 23.90%, well above the regulatory minimum of 15%. In April 2016, a further Rs.1000 crores was infused as capital.

The debt equity ratio improved in FY 2017 to 4.87. During the year, additional subordinated debt to the tune of Rs.150 crores was raised to support liquidity requirements. Normalising for sub-ordinated debt as equity at the end of the year, would further strengthen the debt equity

Revenue Analysis

Particulars	FY 2015-16	FY 2016-17
Net Interest Income Analys	is	
Average Portfolio (Rs. Crores)	6,796	12,346
Yield - Average Portfolio	22.15%	21.95%
Interest Cost - Average Portfolio	11.11%	9.98%
NIM	11.04%	11.97%
Fees Income Analysis		
Total Fees Earned (Rs. Crores)	211	127
No of Customers added	3,885,922	2,710,491

Net interest Margin



JFS has discontinued charging fees on cards to customers from October 2016 onwards which contributed for significant rate variance in fee income compared to the previous year. This was in compliance with the directive issued by the RBI. The reduction in fee based income was partly offset by an increase in investment income and non-interest income decreased by 4% compared to previous year

Note: The 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 above 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 on Margin Money & Excess Liquidity}

Reduction in the borrowing costs was passed on to customers by JFS, by reducing the interest rates on 'Small Batch Loans' (started from Nov-16 and further reduction to 22.36% in Mar'17).

Costs

During the year the overall operating expenses increased 71% over the previous year. This is primarily on account of increase in the number of branches, employees and overall increase in the business. A significant portion of the incremental overheads was towards expenses incurred towards transition to a Small Finance Bank. The Cost Income Ratio was 68.1% in FY 2016-17, a slight increase from 67.63% in FY 2015-16. Ignoring expenses on bank transition, the cost income ratio decreased from 66.1% in 2015-16 to 58.6% in 2016-17.

Asset quality

For FY 2016-17 the NPA increased marginally in comparison to FY 2015-16. However, it has to be noted that NPA computation considers forbearance provided by RBI vide its circular number DBR.No.BP.BC.49/21.04.048/2016-17 dated 28/12/2016 in asset classification & provisioning for payments due in November and December 2016. This circular was issued to regulated entities in order to provide for some time for these entities to manage some increase in NPAs which was anticipated in the wake of demonetisation.

(Rupees in Crores)

	Gross NPA	NPA provision	Net NPA	GNPA	NNPA
FY 2016-17*	81.77	17.34	64.43	0.69%	0.55%
FY 2015-16	22.60	6.26	16.34	0.25%	0.18%

^{*} NPA portfolio is after applying forbearance provided by the RBI of additional 90 days for November and December dues

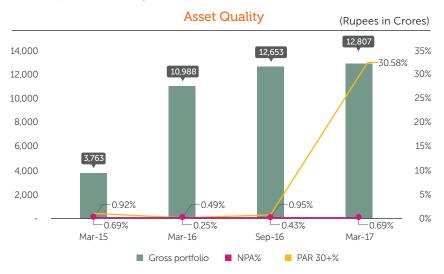
Post November 2016, the portfolio quality started deteriorating due to various reasons, mainly because of the challenges faced by non-payment of the EMIs by the customers due to lack of cash in the economy. There have also been several unfounded rumours about the organization which

had severely impacted collections in a few states.

This has resulted in increase of Portfolio at Risk (PAR). Overall delinquencies seem prima facie increased, with 30+ delinquency moving from 0.49% to 30.58%. The small batch portfolio had a 30+% delinquency at 34.81% (higher from 0.21% in Mar 16).

30+PAR % with W/O *	FY 2015-16	FY 2016-17
Small Batch	0.46%	35.31%
Total	0.95%	31.87%

^{*%} calculated on individual portfolio including write off



Several actions have been initiated to strengthen field operations which include:

- Strengthening of front line capability and capacity on collections
- Deepening customer engagement and educating customers on consequences of non-payment on their credit scores
- Ensuring rapid response and crisis management systems

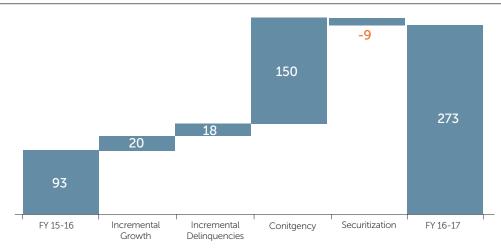
A Collections and Recovery Organisation (C&RO) function is being put in place to ensure focussed effort on significantly past due collections. This is being adequately supplemented by a new contact centre for collection assistance. In addition, several communication initiatives are underway to enhance customer education on credit reports. These include, PR outreach programs with credit agencies via direct customer education through audio visual aids and hand-outs.

Credit Costs (Rupees in Crores)

Incremental Portfolio in 2016-17 (A)	Incremental Provision (B)	Incremental Securitized portfolio (C)	Provision on Securitized Portfolio (D)	Net Provision (E=B+D)	Contingency provision (F)	Bad Debt (G)
1,819	20	(888)	9	29	150	122

Credit Cost Movement for FY 2016-17

(Rupees in Crores)



Credit costs have increased in the current year to Rs 151 crores, from Rs 95 crores in the previous year. The Company has applied the dispensation provided by the RBI circular and applied an additional 90 days beyond what is applicable for recognition of a loan account as substandard for dues payable between November 1, 2016 and December 31, 2016 in computation of credit costs.

In addition to the above credit costs, the Company has made an additional provision of Rs.150 Crores

as contingency provisions as a matter of prudence, considering the stress on the portfolio.

Funding

Consistent improvement in credit ratings (from BBB – in 2011 to A+ in 2017) has helped JFS gain access to diversified sources of funds. The outlook on the rating has been revised from Stable to Negative Outlook due to deterioration in JFS's asset quality.

Credit Ratings

Rating Agency	Instruments	Mar'16	Mar'17
CRISIL	Long Term	A- (Stable outlook)	A (Stable outlook)*
	Short Term	A1+	A1+
ICRA	Long Term	A (Stable outlook)	A+ (Negative outlook)**
	Short Term	A1	A1+

^{*}As per latest rating from CRISIL obtained, the rating on long-term has been revised to A- with negative outlook and rating on short term has been revised to A1

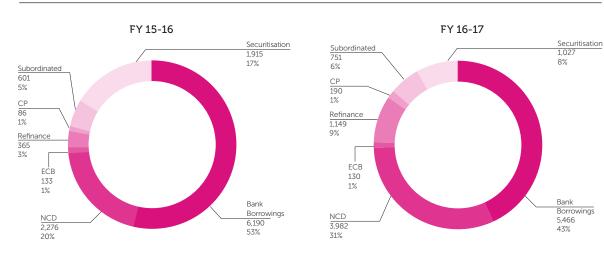
^{**}As per latest rating from ICRA obtained on 30th June 2017 for Long term Borrowings, the rating has been revised to A with stable outlook.

In FY 17, JFS raised a total borrowing of Rs. 7,598 crores from the market. JFS securitized (Passthrough) debt worth Rs. 1,344 crores. JFS also managed to raise unsecured funding of Rs.3,499 crores which constitutes 46% of total funds raised during FY 2016-17.

Lowering of interest rates by RBI, diversification of funding sources and ease in liquidity conditions in the market resulted in lower cost of borrowings across tenors which was passed on to customers through reduction in loan interest rates.

Funding Mix Comparison YOY

(Rupees in Crores)



Diversified funding:

Diversified Lender Base	FY 2015-16	FY 2016-17
Domestic entities subscription to JFS NCD issuances	16	38
Public Sector Bank	25	30
Indian Private Sector Banks	20	21
NBFC's/Others	14	18
Foreign Bank	13	15
FPI/DFI/FII	8	12
Financial Institutions	4	4
TOTAL	100	138

Sources of Funding (Volumes in Rs.Crores)	FY 2015-16	FY 2016-17
Term Loan	5,366	2,715
Securitization	2,532	1,344
Non-Convertible Debentures	1,574	1,804
Subordinated Debt	601	150
Refinance Loan	415	985
Commercial Paper	248	459
ECB	126	0
Invoice Financing	22	141
Total	10,884	7,598

Tenor in years	Average Incremental borrowing Rates - Secured	
	FY 2015-16	FY 2016-17
0-1	11.52%	-
1-2	11.95%	10.42%
2-3	11.93%	11.41%
3-5	12.07%	11.33%
Above 5	11.30%*	-

^{*}External Commercial Borrowings

Risk Management

A significant effort has been made to integrate operational risk management across its three lines of defence (LOD). The key components of Integrated Operational Risk Management (IORM) are:

- Quality Assurance from I LOD
- Operational risk/ Fraud risk from II LOD
- Internal Audit from III LOD

The above teams have been augmented and up skilled to address the potential operational risks emerging from the various offerings. A clear framework with segregation of duties to minimize duplication of effort and maximize synergies through effective usage of digital data has been laid down. IORM thus helps in near Real time identification and escalation of control lapses. Some of the key initiatives undertaken to minimise / mitigate operation risk being:

- Sourcing outside command area
 - o Postal pin code based boundary maps for JC
 - o Geo fence based sourcing rules to identify and stop sourcing outside boundary based on latitude-longitude details of customers
- e KYC validation of Aadhar to identify and eliminate customers with fake KYC
- Attrition
 - o Weekly monitoring of attrition
 - o Rolling plans for hiring to replace exits
 - o Management reaching attrited employees to retain employees
- Cash carry risk in JCs
 - o Dynamic cash retention limits
 - o Cash Management tie ups with Banks for daily movement of cash
 - o Insurance limits based on dynamic CRL

Fraud Risk Management

Fraud risk management continued to be an area of focus during the year. Amongst all types of frauds losses faced through the year, the major concern were cases pertaining to bag snatching from collection executives, which accounted for almost 64% of the fraud incidents in terms of monetary losses. Syndicated frauds in specific areas accounted for almost 22% of fraud incidents (by value) for the year. In addition there was an employee fraud in one of the Jana Centres which amounted to almost 10% of fraud incidents (by value) for the year. Cash snatching incidents raised to an alarming high in some states taking the overall fraud incidents from 40 in previous year to 103 during the current year. Increase in number of Jana Centres and Business also contributed to increase in fraud incidents

Proactive mitigation measures by the FRM team with support from other departments, like increasing the total number of cash burial points, transactions through agent banking and cash remittance through third party ATMs were being put in place. In order to reduce fraud incidents additional measures including limits on physical carrying of cash by executives and rationalisation of operating procedures have been put in place. Regular trainings on avoidance of Cash Snatching at risk prone branches resulted in a sharp decline

in the snatchings by the 3rd quarter of the year. With introduction of FOS collection software which enables non-cash collection options like Wallet Payments, Cheques, DDs and Mobile Banking, the possibilities of snatchings are expected to decline further.

The FRM team across the country has also been augmented. Appointment of consultants to support matters relating to litigations have been implemented. To address fraud incidents arising out of non-biometric cash collection, analytical capabilities to highlight such possibilities have been brought in supported by remedial measures like tele-calling on delinquent customer base.

To minimize possibilities of syndicated fraud i.e frauds committed due to collusion between internal and external people, systems like FOS sourcing using e-KYC has commenced across the country. The process of red flagging areas that have shown a history of frauds by external agents has also been made an ongoing exercise. To leap frog the capabilities to proactively predict possible frauds across all products an enterprise fraud monitoring tool is being evaluated for implementation.

Specialists' services are engaged to sharpen the focus on insurance coverage and claim settlement process to ensure smooth and faster resolution.

Analysis of fraud incident cases

Nature of fraud	FY 2	FY 2015-16		016-17
	Cases	Amount	Cases	Amount
Cheating & Forgery	5	772,527	3	7,071,341
Misappropriation and breach of trust	34	4,006,491	52	8,813,454
Cheating & forgery, misappropriation				
and criminal breach of trust	-	-	3	3,695,627
Negligence and cash shortages	3	275,860	1	94,000
Theft	1	49,170	-	-
Cash Snatching	40	5,709,590	103	13,129,673
Grand Total	83	10,813,638	162	32,804,095

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 intends to cater to the financial services across the complete value chain at the bottom of the pyramid. The product suite starts with the small batch loans and thereafter follows an approach of graduating the customer, first to the individual loan offering and then enterprise loans.

In addition to existing product offerings, Rural Financial Services has become an important part of the organisation strategy to cater to small and marginal farmers. The offering includes Jana Kisan Loans, an offering of group loans to small and marginal farmers. A new variant Jana Kaylan an individual loan of rural financial services with higher ticket size designed for small and marginal farmers.

Community initiatives and Social Impact

With the total CSR corpus being Rs. 2,80,44,197 over 5000 beneficiaries (women and children) were positively impacted across the country through various CSR activities. JFS partnered with various NGOs across the country for effective implementation. Key focus areas in current engagement programs are:

- Provision of food & nutrition for 100 children who have been abandoned and coming from low-income households in Bangalore
- Provision of 6-day care centres (crèches) and
 tuition centres for 155 children of rag pickers in Bangalore and 5 learning hubs in 5 slum areas of Lucknow city for 1000 children
- Sponsorship of formal education for 70 children and mid-day-meal program for 150 children coming from Below Poverty Line families in Bangalore
- 4. Protection and safety of 50 exploited

children of Commercial Sex Workers in Hosur

- Adoption of the Dasarahalli Lake in Bangalore for lake rejuvenation and Creation of rain water harvesting structures as drought proofing measures for promoting livelihoods for 700 small and marginal farmers in Salem, Funds disbursed: Rs. 25,00,000
- Early intervention and care centre for 70 children having special needs in New Delhi and Diagnostic care for 70 orphan children living with HIV/AIDS in Kolkata
- 7. Holistic geriatric care for 20 elderly women who have been rescued from the streets of New Delhi, addressing violence against women for 1200 women and 400 adolescent girls in 40 slum areas of Gwalior and Renovation of old age home and support towards geriatric care for 55 elderly women in Kolkata.
- 8. Provision of life skills education across 8 Municipal Schools of Mumbai for 900 children

Employee Engagement Initiative -Jana Shakti Program

The Jana Shakti Program has grown in F.Y. 2016-17 in terms of absolute number of applications and geographical reach. We received 113 applications from our employees across the five zones as of 31st March 2017.

1c: Cutting Edge Operations and Technology

In its endeavour to become a leading small finance bank in India, partnership was further extended with IBM providing the necessary system integration capabilities for various projects as part of the banking transition program.

Key Initiative: Jana Small Finance Bank (JSFB)

Leveraging on the existing robust technology setup, JSFB architecture has been envisaged on the principle of enabling anytime, anywhere straight-through banking experience for our future customers. It proposes to enable straight through processing (STP) of both on-boarding and servicing transactions at the customer's door-step while using biometrics and digital techniques to authenticate and authorize transactions. It also strives to make the entire experience paperless (minimum touch) through digital enablement. At the heart of this digital transformation is Janalakshmi Integration Hub which enables seamless & robust integration between its applications and also external service providers. The integration hub supports real-time capabilities to enable straight through processing with the ability to orchestrate transactions across multiple systems.

a) Application-Level Transformation Projects

FOS (Front Line System) which helps to integrate all our workflows related to all our offerings in a user friendly manner for our frontline JanaNayaks has gone live in 2016 and the second release of the project covering disbursements and collections is currently under pilot deployment.

The Loan Origination System has been envisaged to enhance automation and process digitization with an objective of enabling the business to scale with efficiencies. Loan Origination System (Wave 1): Emerging Micro (Business First), RuFS - Jana Kalyan (Livestock, Horticulture and Mixed farming) and EFS (MSE-Working Capital, LTBL) have gone live in

2016. The second phase for the other key offerings is in progress.

b) Bank Transition Projects

Bank transition projects started in Dec 2015. The below applications for bank transition have been completed and are currently ready for deployment:

- Feet-on-Street (FoS) for Liabilities
- Asset Liability Management (ALM)
- Anti-Money Laundering (AML)
- Mobile Banking
- Treasury and Capital Markets (scope for initial go-live)
- Debit Cards

All the below applications for bank transition are in final stages of defect resolution / residual development for remaining scope. These are planned for completion before the end of July 2017:

- Core Banking System (pending defects under resolution)
- Regulatory Reporting (Phase 1 and 2 completed; Phase 3 under progress)
- Service Request (Phase 1 and 2 completed;
 Phase 3 under progress)

Internet banking scope for bank launch has been agreed and is planned for completion in July 2017. Also, Mobile Banking is being provisioned to ensure all the necessary features required by customers are part of its functionality and available from Day 1 of the bank launch.

c) Branch Simulation (SIM)

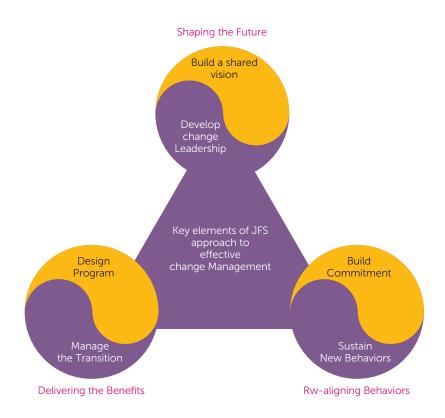
Branch Simulation was initiated in the month of Dec 2016 to ensure bank branches test all applications which are ready for deployment and give their relevant inputs to respective teams for further refinements. The SIM was done for select branches in different zones across multiple waves. Channel J forum (Intranet Portal) was effectively

used to exchange issues leading to faster resolution.

d) JFS approach towards Change Management

As JFS has undertaken numerous transformation initiatives, change management has become

increasingly critical. Effective change management has been identified as a fundamental element to drive value realization throughout the transformation process.



1d: Deep and Diverse Human Capital

Strengthened value proposition for its diverse talent pool across all eight verticals; Talent Acquisition, HC Business Partner, Learning &

Organization Development, Rewards & Policies, Talent Management, HC Operations, Internal Communications and Workforce Relations.

1. Human Capital Structure and Jana Value Proposition

Talent Acquisition

Given our business model and to achieve our ever-growing target, we are constantly looking at newer ways to create a suitable talent pool for JFS. Concerted efforts have been made to reduce the cost per hire and to improve the quality of hiring. Campus hiring has been a powerful way of recruiting future talent for JFS. Our approach for 2016 was to have a differentiated pay strategy for colleges with higher ranking to ensure that we get the best talent from these institutions.

Internal Job Postings was launched in October 2015 to encourage JanaNayaks to take charge of their careers with cross-functional role opportunities. 2016 saw a pivotal change where we introduced the option of vertical growth to deserving JanaNayaks. We also introduced REAP (referral tool) in 2017 to streamline the process of JanaNayak referrals enabling a JanaNayak to have complete visibility on the status of his/her referral.

Engagement

JFS's overall HC value proposition, compensation philosophy and Learning & Organization Development initiatives have resulted in positive engagement levels across all verticals. A comprehensive employee engagement survey, Speak Up, was conducted in November 2016 to seek JanaNayaks' views on what they like about the organization and the changes they would like to see. The Speak Up survey was designed as an online survey and managed by Aon Hewitt, a renowned Human Capital consulting firm. All survey responses were strictly anonymous. JFS engagement levels are at 74%, up from 69% last year.

DISHA tool was launched with a purpose of enabling every JanaNayak to have a dream career with JFS. The tool is mobile and Web-based and allows JanaNayaks a complete view of all job roles in the organization and the flexibility to choose three career choices that may be of interest to them. The objective of this tool is to promote JanaNayaks' career development and to control attrition.



Performance Management

In 2017, HC introduced e-PMS and the performance evaluation of all JanaNayaks was completed in PeopleWorks, the HRMS tool.

Strategic Alignment

To ensure that Talent Acquisition 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.

2. Data Driven Performance Management System

Performance management system is the second component of the operating model which is 'holds' the 4 core building blocks together. We have best in class Balance Scorecard System at the top 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 perspective
- Internal process and operations
- Learning & development

In a continuous effort to create comprehensive

data driven approach at every Business Unit and Jana Centre, we have built a data warehouse and leveraging for Balance Scorecard and supplementary reports. The data warehouse integrates diverse source systems and establishes one version of truth within JFS.

This major step has provided the capability to deploy near-real time performance measurement to JCs and roll-ups from cluster, region to zonal level, via automated reporting tools. This also connects the Balance Scorecard KPIs with individual Jana Nayak's performance metrics.

In addition to this, Balance Scorecards were created for new business and functions during the year.

3. Compelling and Authentic Brand Promise

It is our vision to be the force of transformation that brings prosperity to every Indian. We have focused 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 Kahaani" (LAK).

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. After launching the "Likho Apni Kahaani" Champs Program in April 2016 and training the Champs in the LAK storytelling methodology, we rolled out a program internally inviting JanaNayaks to celebrate and share true success stories of their customers. Close to 400 stories were received as a part of this program. During our 1st ever Foundation Day called 'Jana Diwas', celebrated on

August 16, select customers along with JanaNayaks were felicitated and their success stories shared with everyone. In Bangalore, several customers from all across the country had come over for the celebrations. Similarly, across all Jana Centres

(JCs), customers were felicitated and their success stories shared in the JCs.

We took the LAK program further in 2016, by releasing LAK Films in the media to share these true and powerful stories with the rest of India.

4.Living our Values

I-RISE (I - Integrity - Respect, Innovation, Service, Excellence) represents the values that JFS stands for and reflects the culture of the organization. Our values are an integral part of the Jana 4.0 framework. Jana's Board of Directors and senior management are committed to promoting a culture that espouses our values and ensuring that I-RISE is embedded in every activity at Jana.

I-RISE was first introduced to all JanaNayaks at the Jai JanaNayak roadshows in November-December 2016. They are now being communicated to JanaNayaks in all Jana Centres through street plays so that everyone can imbibe the values through simple depictions of real-life circumstances faced by JanaNayaks in the field.

In order to recognize those JanaNayaks who live the I-RISE values and practice its tenets, the Human Capital team launched the EXEMPLAR program that rewards behaviour that is above and beyond the call of duty. EXEMPLAR identifies and rewards JanaNayaks whose behaviour is noteworthy or who have made a meaningful difference in a manner that surpasses their KPIs and goal sheets. The program aims to identify five behaviours that embody our core values:

- Customer Centricity
- Innovation
- Volunteerism
- Ownership
- Personal Mastery

The first batch of winners were felicitated at the roadshows.



Whistleblowing 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 whistleblowing in good faith. Whistle blowers have access to the MD & CEO/ Chief Risk Officer directly. In FY 2017, there was one whistle blowing instance reported.

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 declared an interim dividend at the rate of Rs. 47.22 in their meeting held on 9th March 2017. All the shareholders except Jana Holding Limited waived off their right to receive the Dividend. Your Board of Directors then took note of the same and paid the interim dividend to Jana Holdings Limited.

The Board of Directors in its meeting held on 27th March 2017 allotted Bonus shares to existing shareholders in the ratio of 1: 4 (four equity shares for every one equity shares held) by capitalizing the share premium account. The shareholders gave their approval in their meeting held on 23rd March 2017.

The Board of Directors have recommend payment of dividend at the rate of 10% for the year 2016-17 as final dividend. No amount has been transferred to the General Reserve

5. Board Meetings:

The Board of Directors met 42 times during the financial year. In addition to the quarterly meetings to consider unaudited financials, 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 15-Apr-2016, 11-May-2016, 14-Jun-2016, 15-Jun-2016, 31-Aug-2016 and 14-Nov-2016.

Additional meetings convened at shorter notice, were held on

11-Apr-2016,	13-Apr-2016,	18-Apr-2016,
20-Apr-2016,	21-Apr-2016,	22-Apr-2016,
25-Apr-2016,	28-Apr-2016,	2-May-2016,
3-May-2016,	4-May-2016,	19-May-2016
23-May-2016,	7-Jun-2016,	9-Jun-2016,
22-Jun-2016,	1-Jul-2016,	8-Jul-2016,
15-Jul-2016,	18-Jul-2016,	19-Jul-2016,
20-Jul-2016,	26-Jul-2016,	2-Aug-2016,
5-Aug-2016,	8-Aug-2016,	16-Sep-2016,
26-Sep-2016,	28-Sep-2016,	24-Nov-2016,
30-Nov-2016,	13-Dec-2016,	21-Dec-2016,
9-Mar-2017,	20-Mar-2017,	27-Mar-2017.

6. Directors and Key Manangerial Personnel:

The following Director resigned and was re-appointed during the year

- 1. Mr. Aluri Srinivasa Rao (alternate director to Mr. Ling Wei Ong) resigned on 12-May-2016.
- 2. Mr. Nirav Mehta (alternate director to Mr. Ling Wei Ong) appointed on 14-Jun-2016.
- 3. Mr. Puneet Bhatia vacated his office as per the provision of Section 167(b) of the Companies Act, 2013 on 8-Aug-2016 and was re-appointed on 31-Aug-2016.
- Mr. Anil Rai Gupta vacated his office as per the provision of Section 167(b) of the Companies Act, 2013 on 30-Nov-2016 and was re-appointed on 30-May-2017.

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 2017 is as follows:

Mr. Uday Chitale (Committee Chairman)

Mr. Narayan Ramachandran

Mr. Vikram Gandhi

Mr. R. Ramaseshan

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 11-May-2016, 14-Jun-2016, 31-Aug-2016 and 14-Nov-2016.

The composition of Nomination and Remuneration Committee as on 31st March 2017 is as follows:

Mr. R. Ramaseshan (Committee Chairman)

Mr. Uday Chitale

Mr. Akhil Shriprakash Awasthi

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 three times in the financial year. The meeting dates were 11-May-2016, 14-Jun-2016 and 31-Aug-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 a 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 judgments 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 a 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 as a part of this Annual Report is attached (FORMAT IN ANNEXURE I)

13. Auditors:

The Auditors, M/s Deloitte Haskins & Sells, Chartered Accountants, have been statutory auditors for the last ten years and their term ends with the financial year 2016-17. The process of appointing a new audit firm as statutory auditors is in progress.

14. Secretarial Audit:

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

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. 7.91 crore

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 Details and Analysis (Refer page no 43)

18. Corporate Social Responsibilty 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 Programs 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:

JFS has spent ₹ 2,43,88,177, or 87% of the total CSR corpus for the F.Y. 2016-17 (i.e., 1.74% versus the 2% target) and is left with ₹ 34,94,182 unspent as of 31st March 2017. This unspent amount pertains to three different categories of JFS's overall CSR program. These are: - i) NGO Partnerships ii) Employee Engagement Program (Jana Shakti) and iii) Administration Expenses.

The specific details of the unutilized funds under each of these categories and the reasons for the same are mentioned below: -

i) NGO Partnerships

82% of the CSR funds (₹ 2,29,96,241) was allocated towards NGO Partnerships. We currently have 13 NGO partners across India working in the areas of

Women Empowerment and Child Development. As mentioned under section 1 (overview of CSR projects in page 1), we also started work this year in the area of water sustainability, as a result of which we newly selected 2 NGO Partners who are focusing on this social issue. As of 31st March 2017, we disbursed ₹ 2,17,29,564 and are left with an unutilised budget of ₹ 12,66,677.

While we fully expected to disburse the unutilized budget amount to one of the two NGOs who made our final short-list, neither passed final muster in our due diligence exercise. In one case, reference checks did not yield positive results, and in the other, field visits by Janalakshmi officers did not support extension of our CSR support for the current model of their operations, and probability of last mile impact.

ii) Employee Engagement Program (Jana Shakti)

13% of the CSR funds (₹ 36,45,746) was allocated to the employee engagement (Jana Shakti) program, which was only in its first full year of operation. We drove many awareness campaigns internally this year (posters, Channel J, CSR week long internal communication campaign, etc.) and, as a result, saw a seven-fold increase in applications. We are confident that most employees now know about Jana Shakti. As of 31st March, we spent ₹ 20,17,846 and are left with an unutilised budget of ₹ 16,27,900.

Jana Shakti is now getting more entrenched in the Janalakshmi culture and is gaining top-of-mind awareness when it comes to employee philanthropy. Also, based on the annual school fee payable months of April-June, we expect an uptick in Jana Shakti applications. As such, we request continued availability of CSR funds in the amount of Rs.8 lakhs from the above unspent amount to meet these requests.

iii) Administration Expenses

5% of the CSR funds (i.e., ₹ 14,02,210) was allocated towards administration expenses as permitted in the CSR Act. As of 31st March 2017,

the company spent ₹ 8,02,605 and is left with an unutilised budget of ₹ 5,99,605. We anticipate a further spend of Rs. 2 lakhs during the months of April and May.

Annual Report on CSR:

Annual Report on CSR in the prescribed format is enclosed **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 30th May 2017, 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 the performance of all the Directors was quite satisfactory and the functioning of the Board and its Committees was 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 is 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 2017-18.

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



ANNEXURE I

Form No. MGT 9 Extract of Annual Return

For the financial year ended on 31.03.2017

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

I. Registration & other Details:

U65923KA2006PLC040028
24-Jul-2006
Janalakshmi Financial Services Limited
Public Limited Company by Shares
'Rajashree Saroja Plaza,' No. 34/1, Andree Road,
Shanthinagar, Bangalore – 560 027
Ph no.: 080 - 4259 5700
No, but debt securities are listed on Bombay Stock
Exchanges
Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B, Plot No. 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal
Hyderabad - 500 032, Telangana State (TS)
Ph no.: +91 040 67161602

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	77%

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

	Demat						March-2017]		the year
	Derriae	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.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding									
of Promoter (A)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / Fl	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture									
Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance									
Companies	-	-	-	-	-	-	-	-	-
g) FIIs/Foreign									
Companies 2	2165850	597728	2763578	64.03%	12786342	491763	13278105	48.35%	15.68%
h) Foreign Venture									
Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Private Equity Fund	-	148345	148345	3.44%	-	141285	141285	0.51%	2.92%
Sub-total (B)(1):- 2	2165850	746073	2911923	67.46%	12786342	633048	13419390	48.86%	18.60%

Category of Shareholders		Shares held a year[As on 31					at the end o March-2017		% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1269782	79293	1349075	31.26%	13718381	484	13718865	49.95%	-18.70%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders	S								
holding nominal share									
capital upto Rs. 1 lakh	32193	23049	55242	1.28%	-	-	-	0.00%	1.28%
ii) Individual shareholder	'S								
holding nominal share									
capital in excess of									
Rs 1 lakh	-	-	-	-	119410	115195	234605	0.85%	-0.85%
c) Others (specify)-HUF	_	-	-	-	91545	-	91545	2.12%	-2.12%
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate									
Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	1301975	102342	1404317	32.54%	13929336	115679	14045015	51.14%	-18.60%
Total Public									
Shareholding (B)=(B)(1)									
+ (B)(2)	3467825	848415	4316240 1	00.00%	26715678	748727	27464405	100.00%	-
C. Shares held by									
Custodian for									
GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3467825	848415	4316240	100%	26715678	748727	27464405	100.00%	-

B) Shareholding of Promoter

SN	Shareholder's Name	Shareh	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	NIL	NIL	NIL	NA	NIL	NIL	NA	-

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

		Shareholdin	ng at the beginning of the year	Cumulative Shareholding during the year		
SN	Particulars	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	At the beginning of the year	NIL	NIL	NIL	NIL	
	Date wise Increase / Decrease					
	in Promoters Shareholding					
	during the year specifying the					
	reasons for increase / decrease					
	(e.g. allotment /transfer /					
	bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL	
	At the end of the year	NIL	NIL	NIL	NIL	

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		Cumulative Shareholding during the Year		
		No. of shares	% of total shares of the company	No. of shares	% of tota l 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 increas	e				
	/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	8,820.79	829.70	9,650.48
ii) Interest due but not paid	0.00	0.00	0.00
iii) Interest accrued but not Due	87.69	12.82	100.51
Total (i+ii+iii)	8,908.47	842.52	9,750.99
Change in Indebtedness during the financial	year		
· Addition	2,755.00	3,499.10	6,254.10
Reduction	3,711.29	389.96	4,101.25
Net Change	-956.29	3,109.13	2,152.84
Indebtedness at the end of the financial year			
i) Principal Amount	7,852.40	3,814.79	11,667.19
ii) Interest due but not paid	0.00	0.00	0.00
iii) Interest accrued but not due	99.78	136.86	236.65
Total (i+ii+iii)	7,952.18	3,951.65	11,903.84

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/WTD/ Manager		Total Amount
		R. Srinivasan (Executive Vice Chairman)	V. S. Radhakrishnan (Managing Director & CEO)	
1	Gross salary	254,01,193	313,46,591	567,47,784
	(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)	254,01,193	313,46,591	567,47,784
	Ceiling as per the Act			

B. Remuneration to other directors

SN.	Particulars of Remuneration		Total Amount				
		Narayan Ramachandran	Uday Chitale	Vijayalatha Reddy	Vikram Gandhi	R. Ramaseshan	
1	Independent				'		
	Directors						
	Fee for attending						
	board committee						
	meetings	3,20,000	5,20,000	3,80,000	2,60,000	5,20,000	20,00,000
	Commission	-	-	-	-		-
	Others, please						
	specify	-	-	-	-		-
	Total (1)	3,20,000	5,20,000	3,80,000	2,60,000	5,20,000	20,00,000
2	Other Non-						
	Executive						
	Directors	V.Narayanamurthy					
		(Nominee					
		Director of IDBI)		-	-	-	-

SN.	Particulars of Remuneration		Total Amount				
		Narayan Ramachandran	Uday Chitale	Vijayalatha Reddy	Vikram Gandhi	R. Ramaseshan	
	Fee for attending						
	board committee						
	meetings	2,40,000	-	-	-	-	2,40,000
	Commission	-	-	-	-	-	-
	Others, please						
	specify	-	-	-	-	-	-
	Total (2)	2,40,000	-	-	-	-	2,40,000
	Total (B)=(1+2)	5,60,000	5,20,000	3,80,000	2,60,000	5,20,000	22,40,000
	Total Managerial						
	Remuneration	5,60,000	5,20,000	3,80,000	2,60,000	5,20,000	22,40,000
	Overall Ceiling as						
	per the Act	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) $\frac{1}{2}$

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO *	CS	CFO	Total
1	Gross salary	-	30,90,439	218,06,696	248,97,135
	(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	-	30,90,439	218,06,696	248,97,135

VIII. Penalties / Punishment/ Compounding of Offences

Туре	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	S IN DEFAULT – NIL									
Penalty										
Punishment	Punishment									
Compounding										

Attachment A

Shareholding Pattern as on 31-Mar-2017 and 31-Mar-2016 (Top 10 shareholders other than directors, promoters, GDRs and ADRs)

Sr No.	Shareholder	No of Shares (31-Mar-2016)	% holding	Allotment (13-Apr 2016; Bonus issue - 27-Mar-2017)	Transfers on (18-Apr-2016; 21-Apr-2016; 22-Apr-2016; 25-Apr-2016; 24-Aug-2016; 9-Sep-2016 and 15-Sep-2016)	Conversi on of CCPS and CCD to Equity Shares (13-Apr-2016)	(No of Shares (31-Mar-2017)	% holding
1	Jana Capital	4.477746	06760/		(4.477746)			0.000/
	Limited	1,137,746	26.36%	-	(1,137,746)	-	-	0.00%
2	Jana Holdings	;						
	Limited	-	0.00%	10,361,376	2,590,344	-	12,951,720	47.16%
3	North Haven Private Equity Asia Platinum Pte. Ltd (Earlie known as MSPEA Platinu Pte. Ltd.)		14.86%	2,974,264	(167,109)	-	3,448,675	12.56%
4	TPG Asia VI SF							
	Pte. Ltd	581,113	-	13.46%	3,190,846	(313,384)	3,458,575	12.59%

5	Client Rosehill							
	Limited	488,482	11.32%	1,406,204	(136,931)	-	1,757,755	6.40%
6	Alpha TC Holdings							
	Pte Ltd	349,795	8.10%	1,399,180	-	-	1,748,975	6.37%
7	CVCI GP II							
	Employee Rosel	hill						
	Limited	273,580	6.34%	787,564	(76,689)	-	984,455	3.58%
8	Treeline Asia							
	Master Fund							
	(Singapore)							
	Pte. Ltd.	216,088	5.01%	864,352	-	-	1,080,440	3.93%
9	India Financial							
	Inclusion Fund							
	(IFIF)	213,000	4.93%	196,976	(163,757)	1	246,220	0.90%
10	QRG							
	Enterprises							
	Limited	183,170	4.24%	670,773	(126,198)	32,290	760,035	2.77%

Attachment B

Name of Director/KMP	Designation	No. of Shares (31-Mar-2016)	% of total shares of the Company	No. of Shares (31-Mar-2017)	% of total shares of the Company
R. Srinivasan	Director & Executive				
	Vice Chairman	9	0.00021%	-	-
V.S. Radhakrishnan	CEO & Managing				
	Director	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

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.

Corporate Social Responsibilty Policy:

Pursuant to the provisions of Section 135 and Schedule VII of the Companies Act 2013, the 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 Programs to be undertaken by the Company as per the CSR Policy. The CSR policy has been duly approved by the Board of Directors.

A brief outline of the company's CSR policy including overview of projects:

Janalakshmi's CSR Policy intends to integrate the CSR guidelines in its business operations as well as outline a strategy to invest its CSR budget 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 with 'Women Empowerment and Child Development' as the overarching theme. In FY 2016-17, the CSR Committee decided to include 'Water Sustainability' as an additional theme.

The Employee Engagement initiative, Jana Shakti, to support a woman or a child in need program was approved by the CSR Committee in FY 2015-16.

Weblink[.]

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

Overview of Projects:

In the FY 2016-17, JFS has invested its CSR budget in a diverse range of social and environmental projects revolving around 'Women's **Empowerment** Child Development' and 'Water Sustainability' that focus on achieving specific and measurable impact. This year also witnessed the introduction of two projects on water sustainability. JFS has channelized its CSR funds through 13 NGOs across India (i.e. 82%) and tapped the potential of its Employee Engagement program (Jana Shakti) further by allocating the same proportion of funds as last financial year (i.e. 13%). The details of the above projects are given below:-

A. South Zone (Bangalore - Karnataka; Hosur and Salem - Tamil Nadu) – 6 NGO Partners

- Provision of food & nutrition for 100 children who have been abandoned or coming from low-income households in Bangalore (Implementing Agency – APSA)
- II. Provision of 6-day care centres (crèches) and 2 tuition centres for 155 children of rag pickers in Bangalore (Implementing Agency – Grace)
- III. Sponsorship of formal education for 70 children and mid-day-meal program for 150 children coming from Below Poverty Line families in Bangalore (Implementing Agency – SVVS)
- IV. Protection and safety of 50 exploited children of Commercial Sex Workers in Hosur (Implementing Agency – Vidyanikethan)
- V. Adoption of the Dasarahalli Lake in Bangalore

for lake rejuvenation (Implementing Agency – United Way of Bengaluru)

VI. Creation of rain water harvesting structures as drought proofing measures for promoting livelihoods for 700 small and marginal farmers in Salem (Implementing Agency – DHAN Foundation)

B. North Zone (New Delhi; Lucknow – Uttar Pradesh) – 3 NGO Partners

- VII.Early intervention and care centre for 70 children having special needs in New Delhi (Implementing Agency Anchal Charitable Trust)
- VIII. Holistic geriatric care for 20 elderly women who have been rescued from the streets of New Delhi (Implementing Agency SHEOWS)
- IX. Establishment of 5 learning hubs in 5 slum areas of Lucknow city for 1000 children (Implementing Agency Nalanda)
- C. Central Zone (Gwalior Madhya Pradesh) 1 NGO Partner
- X. Addressing violence against women (VAW) for 1200 women and 400 adolescent girls in 40 slum areas of Gwalior. This year the project will also sensitize 400 youth/men on VAW (Implementing Agency - Sambhav Social Service Organization)

D. West Zone (Mumbai - Maharashtra) – 1 NGO Partner

XI. Provision of life skills education across 8 Municipal Schools of Mumbai for 900 children (Implementing Agency – Apni Shala)

E. East Zone (Kolkata - West Bengal) – 2 NGO Partners

- XII.Diagnostic care for 70 orphan children living with HIV/AIDS in Kolkata (Implementing Agency OFFER)
- XIII.Renovation of old age home and support towards geriatric care for 55 elderly women in Kolkata (Implementing Agency – Navanir)

F. Employee Engagement Initiative – Jana Shakti Program

The Jana Shakti Program has grown in FY 2016 -17 in terms of absolute number of applications and geographical reach. We received 113 applications from our employees across the five zones as against 16 applications from the South Zone in FY 2015-16.

Awards and Recognition:

JFS received the Best CSR award in the Women Empowerment category at the India CSR Summit 2016, an annual All-India conference organized by NGOBOX. Our topic focused on "Addressing Violence Against Women and Girls" which stitched together the work carried out by two of our CSR supported NGOs, Vidyanikethan in Hosur (Tamil Nadu) and Sambhav in Gwalior (Madhya Pradesh). The Jury Members highly appreciated our CSR work in this area.

2. The Composition of the CSR Committee.

The CSR Committee has been formed in FY 2014-15 to carry out some of the aspects like developing the CSR strategy, detailed planning on the CSR activities, making decisions on their expenditure and the monitoring and evaluation mechanisms. The Committee comprises of the following members: -

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

3. Average Net Profit of the company for last three financial years

Financial Years	Net Profit ₹
2013-14	73,96,09,918
2014-15	1,08,49,55,987
2015-16	2,382,063,606
Average Profit before Tax	1,402,209,837

- 4. Prescribed CSR Expenditure (two per cent of the amount)
 - 2% of the Average Net Profit of three preceding financial years is ₹ 2,80,44,197
- 5. Details of CSR spent during the financial year ended 31st March 2017
- a. Total amount to be spent for the financial year: ₹ 2,80,44,197
- b. Amount unspent, if any: as on 31st March 2017 ₹ 34,94,182
- c. Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. 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:	Cumultative expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
1.	Provision of food & nutrition for 100 children who have been abandoned and coming from low-income households	i) Eradication of extreme hunger and poverty	1. Local Area Program: 34, Annasandrapalya, Vimanapura Post, Bangalore – 560017 2. State: Karnataka District: Bangalore	₹ 18,00,000	1. Direct Expenditure: ₹ 10,12,294 2. Overheads: NA	₹10,12,294	Amount Spent: ₹10,12,294 Implementing Agency: APSA (Association for Promoting Social Action)
2.	Provision of 6-day care centres (crèches) and 2 tuition centres for 155 children of rag pickers	i) Promotion of education ii) 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	₹ 16,15,000	1. Direct Expenditure: ₹ 10,44,000 Overheads: NA	₹10,44,000	Amount Spent: ₹ 10,44,000 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	i) Promotion of education ii) Eradication of extreme hunger and poverty	1.Local Area Program: K.G.Halli, A.C. Post, Bangalore -560045 2.State: Karnataka District: Bangalore	₹ 16,69,550	1.Direct Expenditure: ₹ 12,25,175 Overheads: NA	₹ 12,25,175	Amount Spent: ₹ 12,25,175 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	₹ 20,84,400	1.Direct Expenditure: ₹ 11,89,761 2.Overheads: NA	₹ 11,89,761	Amount Spent: ₹11,89,761 Implementing Agency: Vidyanikethan
5.	Adoption of the Dasarahalli Lake for purpose of lake rejuvenation	i) Water Sustainability	1. Local Area Program: Dasarahalli Lake, Tumkur Road, Bangalore 2. State: Karnataka District: Bangalore	₹ 16,13,700	1.Direct Expenditure: ₹ 0 2. Overheads: NA	₹ 0 (as of Mar 31, 2017)	Amount Disbursed: ₹ 16,13,700 by Janalakshmi to the implementing agency on Feb 3, 2017.Implementing Agency: United Way of Bengaluru
6.	Creation of rain water harvesting structures as drought proofing measures for promoting livelihoods for 700 small and marginal farmers	i) Water Sustainability	Other Area Program: Peddanayakkan Palayam and Attur blocks State: Tamil Nadu District: Salem	₹ 25,00,000	1. Direct Expenditure: ₹ 0 2. Overheads: NA	₹ 0 (as of Mar 31, 2017)	Amount Spent: ₹ 25,00,000 by Janalakshmi to the implementing agency on Mar 27, 2017. Implementing Agency – DHAN Foundation
7.	Early intervention and care centre for 70 children having special needs	i) Promoting health care including preventive health care	1. Other Area Program: Early Intervention and Care Centre for Children with Disability: B Block Basti Vikas Kendra, Jhilmil Industrial Area Delhi-110032. 2. State: New Delhi District: Shahdara District and North East Delhi	₹16,03,500	1. Direct Expenditure: ₹ 5,13,600 2. Overheads: NA	₹ 5,13,600	Amount Spent: ₹ 5,13,600 Implementing Agency: Anchal Charitable Trust

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8.		i) Gender equity and women empowerment ii) Eradication of extreme hunger and poverty iii) Promoting health care including preventive health care	1. Other Area Program: Guru Vishram Vridh Ashram, Gautampuri, Mathura Road, New Delhi – 110044 2.State: New Delhi District: New Delhi	₹ 12,00,000	Expenditure: ₹ 6,83,500 2. Overheads: NA	₹ 6,83,500	Amount Spent: ₹ 6,83,500 Implementing Agency- SHEOWS (Saint Hardyal Educational and Orphans Welfare Society)
9.	Establishment of 5 learning hubs in 5 slum areas for 1000 children	i) Promotion of education	Other Area Program: 5 urban slums of Lucknow, Uttar Pradesh Other Pradesh District: Lucknow	₹12,90,500	1. Direct Expenditure: ₹ 6,75,980 2. Overheads: NA	₹ 6,75,980	Amount Spent: ₹ 6,75,980 Implementing Agency- Nalanda
10.	Addressing violence against women for 1200 women and 400 adolescent girls in 40 slum areas	i) Gender equity and women empowerment	1. Other Area Program: 40 urban slums of Gwalior, Madhya Pradesh 2.State: Madhya Pradesh District: Gwalior	₹ 22,95,300	1. Direct Expenditure: ₹6,38,241 2. Overheads: NA	₹ 6,38,241	Amount Spent: ₹6,38,241 Implementing Agency: Sambhav Social Service Organization
11.	Provision of life skills education across 8 Municipal Schools for 900 children	i) Promotion of education	1. Other Area Program: 8 Municipal Schools in M and L Wards of Mumbai 2.State: Maharashtra District: Mumbai	₹ 9,16,314	1. Direct Expenditure: ₹8,07,168 2. Overheads: NA	₹ 8,07,168	Amount Spent: ₹8,07,168 Implementing Agency - Apni Shala
12.	Diagnostic care for 70 orphan children living with HIV/ AIDS	i) Combating HIV-AIDS, malaria and other diseases	1. Other Area Program: ANANDAGHAR/ APANJAN, Jugipara Road, Village - Gobindapur, P. S-Sonarpur, Pin -700145 2. State: West Bengal District: 24 Parganas (South)	₹ 16,55,300	1. Direct Expenditure: ₹ 3,30,350 2. Overheads: NA	₹ 3,30,350	Amount Spent: ₹ 3,30,350 Implementing Agency: OFFER (Organization for Friends, Energies and Resources)

13.	Renovation of old age home and support towards geriatric care for 55 elderly women	i) Gender equity and women empowerment ii) Eradication of extreme hunger and poverty iii) Promoting health care including preventive health care	1.Other Area Program: 272 NSC Bose Road, Tollygunge, Kolkata 2.State: West Bengal District: Kolkata	₹ 14,86,000	1.Direct Expenditure: ₹3,09,898 2.Overheads: NA	₹ 3,09,898	Amount Spent: ₹ 3,09,898 Implementing Agency- Navanir
14.	Employee Engagement Initiative – Jana Shakti Program	i) Gender equity and women empowerment ii) Child welfare	Area: Functional across India where Janalakshmi Financial Services operates	₹ 36,45,746	1.Direct Expenditure: ₹ 20,17,846 2.Overheads: NA	₹ 20,17,846	Amount Spent: ₹ 20,17,846 Direct - Disbursed to organizations (schools/ hospitals/ NGOs) for beneficiaries
	TOTAL			2,53,75,310		1,04,47,813	1,04,47,813

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 sensitization in slums
- e) Vocational training for youth with job placements and follow-ups

 Amount unutilised by implementing agency, if any: JFS entered into a partnership with APSA in September 2016 and subsequently the CSR funds were released. As per the contract period of 12 months, APSA will be able to spend the remaining balance of ₹7,87,706 by August 2017.

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; nutrition; education; slum development activities like 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 Baglur 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
- Distribution of identity cards which have been authorised by BBMP to the rag pickers and waste collectors

• Amount unutilised by implementing agency, if any: JFS entered into a partnership with Grace in September 2016 and subsequently the CSR funds were released. As per the contract period of 12 months, Grace will be able to spend the remaining balance of ₹ 5,71,000 by August 2017.

3. SVVS (Shamala Vidya Vardhak Sangh)

• Year of Establishment: 1979

• Date of Registration: 4th November 1982

- Mission and Vision: Mission For every child an education, for every adult the dignity of self-reliance. The vision is: 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: JFS entered into a partnership with SVVS in September 2016 and subsequently the CSR funds were released. As per the contract period of 12 months, SVVS will be able to spend the remaining balance of ₹ 4,44,375 by August 2017.

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; education; 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 and 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
- Amount unutilised by implementing agency, if any: JFS entered into a partnership with Vidyanikethan in September 2016 and subsequently the CSR funds were released. As per the contract period of 12 months, Vidyanikethan will be able to spend the remaining balance of ₹ 8,94,639 by August 2017.

5. United Way of Bengaluru

Year of Establishment: 2008

Date of Registration: 30th June 2008

- Mission and Vision: Its mission is to advance common good through the three building blocks for good quality of life:
- Education help children and youth to achieve their full potential
- Livelihood provide financial stability and independence for families and individuals
- Health provide opportunities to improve people's health
 - Vision: Going beyond temporary fixes to create lasting change that lifts up the entire community
- Thematic sectors of operation: Education, livelihood, health and environment
- Geographical working area(s): Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh, West Bengal and Bihar
- · Activities carried out so far:
- a) Creating awareness on key issues that affect the community
- b) Building a platform for communities and the government to work together
- c) Providing financial and skill-based assistance
- d) Promoting social and policy change that strengthens people and their communities
- Amount unutilised by implementing agency, if any: JFS entered into a partnership with United Way of Bengaluru and subsequently the CSR funds were released on the 3rd of February 2017. Post this, United Way of Bengaluru also entered into an agreement with the BBMP (Bruhat Bengaluru Mahanagara Palike) in March 2017 as this project is a tripartite partnership between the three entities (JFS, United Way of Bengaluru and BBMP). United Way of Bengaluru started its operations for the Dasarahalli Lake in April 2017 spending ₹ 53,860. As a result, based on the contract period of 12 months, United Way of Bengaluru

will be able to spend the remaining balance of ₹ 15,59,840 by March 2018.

6. DHAN Foundation

Year of Establishment: 1998

• Date of Registration: 28th January 1998

 Mission and Vision: Mission - Building people and institutions for development innovations and scaling up to enable the poor communities towards poverty alleviation

Vision: DHAN believes that values such as grassroots action, collaboration, enabling innovation, excellence and self-regulation are its core strengths

- Thematic sectors of operation: Water sustainability, rain-fed agriculture, coastal conservation women empowerment and development education
- Geographical working area(s): 14 states which include Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Maharashtra, Odisha, Madhya Pradesh, Jharkhand, Assam, Uttar Pradesh, Bihar, Kerala, Puducherry and Rajasthan
- · Activities carried out so far:
- a) Initiated tank programme in six states for addressing livelihoods for 3,00,000 families
- b) Through the community banking programme, SHGs are organized and more than 8 million poor women have been reached out during the last 25 years
- c) Interventions for farmers on rain fed agriculture through technology and credit facilities
- d) Provision of computer literacy application for e-governance related aspects for the youth
- Amount unutilised by implementing agency, if any: JFS entered into a partnership with DHAN Foundation in March 2017 and subsequently the CSR funds were released on the 30th of

March 2017. DHAN started its preparations for drought proofing structures in April 2017 spending ₹ 60,000. As per the contract period of 12 months, DHAN Foundation will be able to spend the remaining balance of ₹ 24,40,000 by March 2018.

7. Anchal Charitable Trust

• Year of Establishment: 1993

· Date of Registration: 16th June, 1999

- Mission and Vision: Mission 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 which includes HIV/ AIDS, sexual and reproductive health; disability; diarrhoea and related issues; disaster risk reduction; education and 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 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) Education and early intervention centres for children of construction site workers
- c) STOP Diarrhoea Initiative aims at reducing incidences of diarrhoea and increasing community sanitation
- d) Abhaya Project aims at 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 December 2016 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 ₹ 10,89,900 by November 2017.

8. Sheows

• Year of Establishment: 2003

- Date of Registration: 29th March 1994 (for SHEOWS)
- Mission and Vision: The mission of SHEOWS is to serve the destitute old aged women and men by attending to their needs, wounds and agony at the dusk-time of their life.

Vision: Vridh Sewa Abhiyan's aim states that no elderly should die on the roadside due to hunger, sickness or any environmental factors in Delhi NCR in first phase; and all over India in second phase

- Thematic sectors of operation: Elderly/ Geriatric Care
- Geographical working area(s): New Delhi and Uttar Pradesh
- · Activities carried out so far:
- a) Creating a safe, secure & homely environment for the elderly by providing food, clothing, shelter and other essential services
- b) Bringing an overall improvement in their health by maintaining the hygiene standards and provision of ICU facilities
- Recreation activities and social involvement of the senior citizens
- d) Focusing on a strict food regime by providing organic fruits and vegetables and dairy products
- e) Elderly who are paralyzed and bed ridden are taken special care through the provision of special bed sore mattresses, diapers, new bed sheets and blankets regularly

- f) Good infrastructure with air conditioners, individual beds and ICU facilities are provided to the elderly who have been rescued from the streets of New Delhi
- Amount unutilised by implementing agency, if any: JFS entered into a partnership with SHEOWS in September 2016 and subsequently the CSR funds were released. As per the contract period of 12 months, SHEOWS will be able to spend the remaining balance of ₹ 5,16,500 by August 2017.

9. Nalanda

Year of Establishment: 1996

• Date of Registration: 20th December 1996

 Mission and Vision: Mission: To work towards providing access to quality basic education for children from underprivileged sections of society through community mobilisation, capacity building, advocacy, support services, training and innovation.

Vision: To ensure universal quality primary education so as to create an informed society, which is empowered by knowledge to take its own decisions for its development

- Thematic sectors of operation: Education
- Geographical working area(s): Uttar Pradesh, Bihar and Jharkhand
- · Activities carried out so far:
- a) Nalanda has been providing training and technical support to more than 60 government schools in Uttar Pradesh and Jharkhand in collaboration with the Government
- b) As a technical support agency, the organization has developed a long-standing relationship with UNICEF providing technical and academic support to its various educational programs
- c) Strengthening the primary education in Madarsa system of education, where a majority of the

- Muslim children from poorer households study.

 Presently there are 500 maqtab/madarsas under the fold of the programme
- d) Intervention in rural areas of Uttar Pradesh to enhance the access and quality of primary education for the girls in the age group of 8-14 years in order to address the low rate of participation and completion of schooling by girls
- Amount unutilised by implementing agency, if any: JFS entered into a partnership with Nalanda in September 2016 and subsequently the CSR funds were released. As per the contract period of 12 months, Nalanda will be able to spend the remaining balance of ₹ 6,14,520 by August 2017.

10. 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; sanitation and hygiene; 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
- Reproductive and child health program 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 December 2016 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 ₹ 16,57,059 by November 2017.

11. Apni Shala

• Year of Establishment: 2012

• Date of Registration: 29th June 2013

Mission and Vision: Mission

- 1. Designing standardised life skills education programmes for children aged 6 to 15
- 2. Delivering life skills education programmes in partnership with schools and NGOs
- 3. Capacitating educational institutions to deliver life skills education independently
- 4. Advocating with the government to make life skills education integral to all school curriculum

Vision: All children are equipped with skills and attitudes to bring about positive change in themselves and the world around them

- Thematic sectors of operation: Life Skills Education
- Geographical working area(s): Mumbai (M West Ward and L Ward)
- · Activities carried out so far:
- a) Till date the total outreach has been over 2900 children, 110 teachers and 200 parents in Mumbai and rural areas of Pune and Nagpur
- b) Children are assessed across 5 key life skills, namely confidence, effective communication, teamwork skills, empathy and leadership skills
- c) Engaging children from low income communities aged 9 15 years through year-long programmes and short term engagements
- d) Creating ripple effect through engaging teachers to spread the movement of life skills
- e) Through structured sessions multiple engagements with parents are aimed at having parent buy-in and support for nurturing life skills at home
- Amount unutilised by implementing agency, if any: JFS entered into a partnership with Apni Shala in September 2016 and subsequently the CSR funds were released. As per the contract period of 12 months, Apni Shala will be able to spend the remaining balance of ₹ 1,09,146 by August 2017.

12. 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) Atmaja has benefited 100 pregnant women to reduce dropouts in parent-to child HIV transmission prevention initiative
- b) Moving Children from Railway Platforms'
 -Through UNICEF programme OFFER mainstreamed 530 children living on railway platforms in North Kolkata community
- c) Sahajpath-Supplemental Education to 2500 first generation school-goers
- d) Apanjan residential services covers 70 orphan children with intellectual disability (mental retardation)
- e) 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 2017 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 ₹ 13,24,950 by December 2017.

13. Navanir Home for the Aged - Women's Coordinating Council

- Year of Establishment: 1977
- Date of Registration: 22nd November 1965 (for Women's Coordinating Council)
- Mission and Vision: Mission The Women's Co-ordinating Council is an umbrella NGO which has been active for women and child

rights since 1965. Its activities focus on making a difference in the lives of underprivileged women and children and enable them in achieving their highest potential

Vision - To bring opportunity and smiles in the lives of the disadvantaged in society

- Thematic sectors of operation: Care for the elderly; nutrition for women and children; non-formal education for underprivileged children; vocational training for the disadvantaged
- Geographical working area(s): West Bengal
- Activities carried out so far:
- a) Women's Co-ordinating Council manages 4 crèches at Agra, Bhobla, Mangrul and Sultanpur villages in the district of West Midnapore which has a large tribal population
- b) The non-formal education centre at Chetla provides vocational training and adult education and primary level education to 130 disadvantaged children
- c) Remedial education services are provided to 50 street children who have been mainstreamed in formal schools by Women's Co-ordinating Council
- d) The Council has set up a safe abode for young women from the districts who have come to the city of Kolkata for work. Currently 20 women are residing in the facility
- e) Management of two residential homes for senior citizens at Chetla and Tollygunge, Kolkata. The residents are provided holistic care and nutrition at a very nominal charge.
- Amount unutilised by implementing agency, if any: JFS entered into a partnership with Navanir in September 2016 and subsequently the CSR funds were released. As per the contract period of 12 months, Navanir will be able to spend the remaining balance of ₹ 11,76,102 by August 2017.

14. 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 ₹ 5000 to the cause. JFS contributes the remaining amount with an upper limit of ₹ 20,000. After a 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.
- Policy Revision: Based on the requests we received from employees, the CSR team proposed a revision in policy to expand the reach of the Jana Shakti program and to make the program more inclusive. The proposal was approved by the CSR Committee in January 2017 and the revised policy was shared with all employees.

The two main changes were:

- 1. Employees of JFS at any designation are eligible to participate in Jana Shakti. Employees who are Assistant Managers or below may contribute ₹ 2,500 and JFS will provide a matching contribution, upto four times the amount, namely ₹ 10,000. Total support amount to the beneficiary will thus be ₹ 12,500.
- 2. Employees at any level may contribute ₹ 2,500 in cases where the Jana Shakti total contribution request is between ₹ 5,000 and ₹ 10,000

- Impact: As of 31st March 2017, there have been 113 employees who have made an impact in the lives of 67 individuals. This year, we saw employees jointly support one beneficiary in cases where the need of the beneficiary was a large amount. Such joint contributions pertained mainly to education, housing, poverty alleviation and medical care.
- i) 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.

JFS has spent ₹ 2,43,88,177, or 87% of the total CSR corpus for the F.Y. 2016-17 (i.e., 1.74% versus the 2% target) and is left with ₹ 34,94,182 unspent as of 31st March 2017. This unspent amount pertains to three different categories of JFS's overall CSR program. These are: - i) NGO Partnerships ii) Employee Engagement Program (Jana Shakti) and iii) Administration Expenses.

The specific details of the unutilized funds under each of these categories and the reasons for the same are mentioned below: -

i) NGO Partnerships

82% of the CSR funds (₹ 2,29,96,241) was allocated towards NGO Partnerships. We currently have 13 NGO partners across India working in the areas of Women Empowerment and Child Development. As mentioned under section 1 (overview of CSR projects in page 1), we also started work this year in the area of water sustainability, as a result of which we newly selected 2 NGO Partners who are focusing on this social issue. As of 31st March 2017, we disbursed ₹ 2,17,29,564 and are left with an unutilised budget of ₹ 12,66,677.

While we fully expected to disburse the unutilized budget amount to one of the two NGOs who made our final short-list, neither passed final muster in our due diligence exercise. In one case, reference checks did not

yield positive results, and in the other, field visits by Janalakshmi officers did not support extension of our CSR support for the current model of their operations, and probability of last mile impact.

ii) Employee Engagement Program (Jana Shakti)

13% of the CSR funds (₹ 36,45,746) was allocated to the employee engagement (Jana Shakti) program, which was only in its first full year of operation. We drove many awareness campaigns internally this year (posters, Channel J, CSR week long internal communication campaign, etc.) and, as a result, saw a seven-fold increase in applications. We are confident that most employees now know about Jana Shakti. As of 31st March, we spent ₹ 20,17,846 and are left with an unutilised budget of ₹ 16,27,900.

Jana Shakti is now getting more entrenched in the Janalakshmi culture and is gaining top-of-mind awareness when it comes to employee philanthropy. Also, based on the annual school fee payable months of April-June, we expect an uptick in Jana Shakti applications. As such, we request continued availability of CSR funds in the amount of Rs.8 lakhs from the above unspent amount to meet these requests.

iii) Administration Expenses

5% of the CSR funds (i.e., ₹ 14,02,210) was allocated towards administration expenses as permitted in the CSR Act. As of 31st March 2017, the company spent ₹ 8,02,605 and is left with an unutilised budget of ₹ 5,99,605. We anticipate a further spend of Rs. 2 lakhs during the months of April and May.

ii) 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

V. S. Radhakrishnan CEO & Managing Director Vijayalatha Reddy
Chairman CSR Committee

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)

- 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 2016)
- (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 Customer Insights Spatial Analytics Field Survey

- (e) date(s) of approval by the Board: 15-Jun-2106
- (g) 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 - 254,01,193 / 1,65,000 MD&CEO - 313,46,591 / 1,65,000 All Employee Median - (1,65,000)
(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 – 43.7% MD&CEO – 40.5% CS – 15.9% CFO* – 134.1% (Note: CFO mentioned here has taken charge from Oct 2015 hence remuneration of FY 15-16 is pro-rated)
(iii) The percentage increase in the median remuneration of employees in the financial year;	(1,65,000 - 1,64,163)/ 1,64,163 = 0.51%
(iv) The number of permanent employees on the rolls of company;	16357 (as on 31st March 2017)
(v) The explanation on the relationship between average increase in remuneration and company performance;	~2.5 times increase in disbursement volumes from 2014-15 to 2015-16. The average increase of employee salaries for FY 2016-17 was based on the company performance in the previous year. (Head count has increased from 9435 to 16357).
(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 1089 Cr in FY 2014-15 to 1154 Cr in FY 2015-16. Note: 1000 Cr of equity is infused in April 2016, which takes the current net worth to 2154 Cr.
(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	JFS compensation policy states that it maintains differentiated targets for comp benchmarking for employees at various career levels. Accordingly, percentile positioning of

in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	junior staff was aimed at 90th percentile, and with the desired 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;	KPI on the BSC / (Financial, Customer, Process and People).
(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;	CEO-RFS = 313,97,741 (313,97,741 /331,94,701 = 0.99)CHCO = 331,94,701 (313,46,591 / 331,94,701 = 0.94) (part of incumbent's remuneration paid in the year was for sign on bonus/ performance bonus/ long term incentive for previous year's performance)
(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. The said information is also available on the website of the company at www.janalakshmi.com

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 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 15 Directors as on 31st March 2017. 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 2017 is given below:

Board Meetings and Attendance at Board Meetings

The Board met 42 times during the financial year 2016-2017. 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	6	4
2	Raghunath Srinivasan	6	5
3	V. S. Radhakrishnan	6	6
4	Narayan Ramachandran	6	4
5	Uday Madhav Chitale	6	6
6	Viswanatha Prasad	6	3
7	T. S. Sivashankar	6	4
8	Vikram Gandhi	6	3
9	Akhil Shriprakash Awasthi	6	3
10	Anil Rai Gupta	6	0
11	Ling Wei Ong/Nirav Mehta (w.e.f 14-Jun-2016)*	6	5
12	Vijayalatha Reddy	6	5
13	Puneet Bhatia	6	1
14	V. Narayanamurthy	6	5
15	Ramalingam Ramaseshan	6	6

^{*}Aluri Srinivasa Rao resigned from Alternate directorship on 12-May-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	36	28
2	Raghunath Srinivasan	36	36
3	V. S. Radhakrishnan	36	36
4	Narayan Ramachandran	36	31
5	Uday Madhav Chitale	36	1
6	Viswanatha Prasad	36	15
7	T. S. Sivashankar	36	32
8	Vikram Gandhi	36	0
9	Akhil Shriprakash Awasthi	36	0
10	Anil Rai Gupta	36	0
11	Ling Wei Ong/Nirav Mehta (w.e.f 14-Jun-2016)*	36	0
12	Vijayalatha Reddy	36	34
13	Puneet Bhatia	36	0
14	V. Narayanamurthy	36	3
15	Ramalingam Ramaseshan	36	0

^{*}Aluri Srinivasa Rao resigned from Alternate directorship on 12-May-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 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 11-May-2016, 14-Jun-2016, 31-Aug-2016 and 14-Nov-2016. The audit committee comprised the following directors for the year ended 31st March 2017:

- 1. Mr. Uday Madhav Chitale (Committee Chairman)
- 2. Mr. Naravan Ramachandran Member
- 3. Mr. Vikram Gandhi Member
- 4. Mr. Puneet Bhatia Member
- 5. Mr. R. Ramaseshan Member
- 6. 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; and
- 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 2017:

- 1. Mr. R. Ramaseshan Committee Chairman
- 2. Mr. Uday Chitale Member
- 3. Ms. Vijayalatha Reddy Member
- 4. Mr. Akhil Shriprakash Awasthi 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
- Mr. V. S. Radhakrishnan Member
 Mr. Viswanatha Prasad Member
- 6. Mr. Uday Madhav Chitale Member
- 7. Mr. R. Ramaseshan Member
- 8. Mr. T. S. Sivashankar Member
- 9. Mr. Akhil Shriprakash Awasthi- Member
- 10. Mr. Ling Wei Ong/Nirav Mehta- Member
- 11. Mr. Puneet Bhatia- Member

Roles & Responsibilities of the Committee:

- The Committee oversees 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. R. Ramaseshan Member
- 6. Mr. T. S. Sivashankar Member
- 7. Mr. Akhil Shriprakash Awasthi- Member
- 8. Mr. Ling Wei Ong/Nirav Mehta- Member
- 9. Mr. Uday Madhav Chitale Invitee

Powers / Role of the Committee

- The committee supervises 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. Ms. 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. Ms. 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 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 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 29th May 2017 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, 2017.

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
10th Annual General eeting	30-June-2016 at 11:00 a.m. at the registered office address: "Rajashree Saroja Plaza", #34/1,Andree Road, Shanthinagar, Bangalore – 560 027	2
Extra – Ordinary General Meeting	13-Apr-2016 at 6:30 p.m. at the registered office address: "Rajashree Saroja Plaza", #34/1,Andree Road, Shanthinagar, Bangalore – 560 027	2

General Body Meeting	Date, Time & Venue	No. of Special Resolution passed
Extra — Ordinary General Meeting	6-Jun-2016 at 2:00 p.m. at the registered office address : "Rajashree Saroja Plaza", #34/1,Andree Road, Shanthinagar, Bangalore – 560 027	3
Extra – Ordinary General Meeting	7-Mar-2017 at 10:30 a.m. at the registered office address : "Rajashree Saroja Plaza", #34/1,Andree Road, Shanthinagar, Bangalore – 560 027	2
Extra — Ordinary General Meeting	23-Mar-2017 at 5:30 p.m. at the registered office address : "Rajashree Saroja Plaza", #34/1,Andree Road, Shanthinagar, Bangalore – 560 027	1
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, Bangalore – 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, Bangalore – 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, Bangalore – 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, Bangalore – 560 027	3

General Body Meeting	Date, Time & Venue	No. of Special Resolution passed
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, Bangalore – 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, Bangalore – 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, Bangalore – 560 027	
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, Bangalore – 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, Bangalore – 560 027	3

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 matter 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 2017, 11:00 a.m
Venue:	"Rajashree Saroja Plaza", No. 34/1, Andree Road, Shanthinagar, Bangalore – 560 027

Shareholding Pattern as on 31st March 2017

Sr No.	Shareholder	Class	No of Shares	% holding
1	Jana Holdings Limited	Class A	12,951,720	47.16%
2	TPG Asia VI SF Pte. Ltd	Class A	3,458,575	12.59%
3	North Haven Private Equity Asia Platinum Pte. Ltd			
	(earlier known as MSPEA Platinum Pte. Ltd.)	Class A	3,448,675	12.56%
4	Caladium Investment Pte. Ltd	Class A	553,010	2.01%
5	Client Rosehill Limited	Class A	1,757,755	6.40%
6	Alpha TC Holdings Pte. Ltd	Class A	1,748,975	6.37%
7	CVCI GP II Employee Rosehill Limited	Class A	984,455	3.58%
8	Treeline Asia Master Fund (Singapore) Pte. Ltd.	Class A	1,080,440	3.93%
9	India Financial Inclusion Fund (IFIF)	Class A	246,220	0.90%
10	QRG Enterprises Limited	Class A	760,035	2.77%
11	Vallabh Bhanshali	Class A	119,410	0.43%
12	Global Financial Inclusion Fund	Class A	141,285	0.51%
13	Enam Securities Private Limited	Class A	4,290	0.02%
14	Badri Narayan Pilinja	Class A	115,195	0.42%
15	Vallabh Bhanshali HUF	Class A	91,545	0.33%
16	Growth Partnership II Shiv Shankar			
	Co-investment Trust	Class A	1,995	0.01%
17	Growth Partnership II Ajay			
	Tandon Co-investment Trust	Class A	825	0.00%
	Total		27,464,405	100.00%

ANNEXURE VI

Form No. MR-3

Secretarial Audit Report For the Financial Year Ended 31st March 2017

(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

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 (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 2017 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 2017 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.

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. Issued Secured, Rated, Listed, Redeemable Non Convertible Debentures on a Private Placement basis during the period under review.
- ii. Altered its Articles of Association.
- iii. 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.
- iv. Issued Bonus Shares to its Existing shareholders.
- v. The Company has obtained Name availability from the Registrar of Companies, Ministry of Corporate Affairs for the proposed change of name of the company from "Janalakshmi Financial Services Limited" to "Jana Small Finance Bank Limited".
- vi. The Reserve Bank of India has issued Small Bank License to the Company in the name and style "Jana Small Finance Bank Limited".

Place: Bengaluru Date: May 15, 2017 Nagendra D. Rao Practicing Company Secretary

Membership No. : FCS – 5553 Certificate of Practice No. : 7731

Note: My report of even date is to be read along with my letter of even date which is annexed as Annexure -1 and forms an integral part of this report.

To,

The Members

Janalakshmi Financial Services Limited

(Formerly Janalakshmi Financial Services Private Limited),

My report of even date is to be read along with this letter.

Management's Responsibility

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

- 1. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
- 2. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.
- 3. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: May 15, 2017 Place: Bengaluru Nagendra D. Rao

Practicing Company Secretary Membership No. : FCS – 5553 Certificate of Practice No. : 7731



AUDITOR'S REPORT

Independent Auditor's Report To the Members of Janalakshmi Financial Services Limited

1. Report on the Financial Statements

We have audited the accompanying financial statements of **JANALAKSHMI FINANCIAL SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair

view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

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

In conducting 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.

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 obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its profit and its cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

- 1. As required by Section 143 (3) of the Act, based on our audit, 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 other than the matters referred to in paragraph 5.1(g)(iv) below.
- 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 and the reports of the other auditors.
- 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 relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.

- e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements
- ii. The Company does not have any material foreseeable losses in respect of any long-term contracts including derivative contracts, which have not been provided for.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided certain disclosures in Note No. 59 of the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016, which is not in the manner as specified in the Notification 308 (E) dated March 30, 2017. Consequently, we are unable to obtain sufficient and appropriate audit evidence to report whether the

disclosures to the extent made in the notes are in accordance with the books of account maintained by the Company and as produced to us by the Management.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the

Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

for Deloitte Haskins & Sells

Chartered Accountants Firm's Registration No.008072S

S. Ganesh

Partner Membership No. 204108

Place: Bengaluru Date: May 30, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 5.1(f) of our report of even date)

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

We have audited the internal financial controls over financial reporting of **JANALAKSHMI FINANCIAL SERVICES LIMITED** ("the Company") as of March 31, 2017 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, 2017, 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: Bengaluru Date: May 30, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 5.2 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, no material discrepancies were noticed on such verification
 - (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 Order is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order 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, 2017.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause(vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally 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, 2017 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, 2017 on account of disputes are given below:

(Rs. in crores)

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	Assessment Year 2012-13	0.60*
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	Assessment Year 2013-14	2.33**

^{*} Net of Rs. 0.20 crores paid under protest. ** Net of Rs. 0.41 crores 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/ public offer (including further 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 which is estimated at Rs.2.93 crores, 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 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-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

for Deloitte Haskins & Sells

Chartered Accountants Firm's Registration No.008072S

S. Ganesh

Membership No. 204108

Place: Bengaluru Date: May 15, 2017



Balance Sheet As At 31 March 2017

Particulars	Note No.	As at 31 Mar 2017	As at 31 Mar 2016
EQUITY AND LIABILITIES			
I SHAREHOLDERS' FUNDS			
(a) Share Capital	3	27.46	7.55
(b) Reserves and Surplus	4	2,369.23	1,220.87
Total		2,396.69	1,228.42
II NON-CURRENT LIABILITIES			
(a) Long - term borrowings	5	6,508.52	5,557.02
(b) Long - term provisions	6	54.47	50.18
Total		6,562.99	5,607.20
III CURRENT LIABILITIES			
(a) Short - term borrowings	7	219.42	203.19
(b) Trade payables	8		
(i) Total Outstanding Dues of Micro Enterprises			
and Small Enterprises		-	-
(ii) Total Outstanding Dues of Trade Payables other			
than Micro Enterprises and Small enterprises		175.48	86.91
(c) Other current liabilities	9	5,444.16	4,235.08
(d) Short - term provisions	10	254.08	60.01
Total		6,093.14	4,585.19
TOTAL		15,052.82	11,420.81
ASSETS			
I NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible assets	11	147.23	78.99
(ii) Intangible assets	12	44.33	29.14
(iii) Capital Work in Progress		1.07	-
(iii) Intangible assets under development		37.46	4.51
(b) Non-current investments	13	0.10	0.10
(c) Deferred tax asset	40	100.94	36.45
(d) Long-term loans and advances	14	4,748.03	4,354.75
(e) Other non-current assets	15	105.14	162.86
Total		5,184.30	4,666.80

V.S. Radhakrishnan

Jayasheel Bhansali

Chief Financial Officer

Managing Director & CEO

Particulars	Note No.	As at 31 Mar 2017	As at 31 Mar 2016
II CURRENT ASSETS			
(a) Current Investments	16	347.54	-
(b) Cash and bank balances	17	2,200.93	1,874.38
(c) Short-term loans and advances	18	33.94	13.98
(d) Other current assets	19	7,286.11	4,865.65
Total		9,868.52	6,754.01
TOTAL		15,052.82	11,420.81

See accompanying notes forming part of the Financial Statements

1 to 61

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

S. Ganesh Partner

Place: Bengaluru Date: May 30, 2017 For and on behalf of the Board of Directors

R. Srinivasan

Executive Vice Chairman

Richa Saxena

Company Secretary

Statement Of Profit And Loss For The Year Ended 31 March 2017

(Rupees in Crores)

			(Rupees in Crores)
Particulars	Note No.	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
IINCOME			
Revenue from operations	20	2,820.27	1,632.30
Other Income	21	158.17	152.24
TOTAL REVENUE		2,978.44	1,784.54
II EXPENDITURE			
Finance costs	22	1,231.74	755.10
Employee benefits expense	23	486.69	275.49
Depreciation and amortization expense	11 & 12	61.86	35.34
Other expenses	24	641.54	385.42
Provision/write off for receivables under financing a	ctivity 25	151.39	94.98
TOTAL EXPENDITURE		2,573.22	1,546.33
Profit for the year before exceptional items and tax		405.22	238.21
Exceptional items (Refer Note 46)		150.00	-
Profit for the year before tax		255.22	238.21
Tax expense:			
(1) Current tax		149.60	103.46
(2) Deferred tax (Refer Note 40)		(64.49)	(25.54)
Profit for the year after tax		170.11	160.29
Earnings Per Share (Rs. per equity share of Rs.10 ea	ch)		
Basic	39	62.38	74.27
Diluted	39	62.38	74.16

See accompanying notes forming part of the Financial Statements 1 to 61

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

a Garens

S. Ganesh Partner

Place: Bengaluru Date: May 30, 2017 For and on behalf of the Board of Directors

R. Srinivasan

Executive Vice Chairman

Richa SaxenaCompany Secretary

V.S. Radhakrishnan Managing Director & CEO

Jayasheel Bhansali Chief Financial Officer

Cash Flow Statement For The Year Ended 31 March 2017

P	articulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
A.	Cash flow from Operating activities		
	Net Profit before exceptional items & tax	405.22	238.21
	Less Exceptional Item	(150.00)	
	Add: Depreciation and amortisation	61.86	35.34
	Add: Provision in respect of non performing & standard assets	18.20	57.72
	Add: Provision/(Reversal) for non performing assets	11.08	(2.70)
	Add: Contingency Provisions	150.00	-
	Add: Loss on fixed asset	0.18	2.47
	Add: Provision -other	11.38	-
	Add: Loss from central govt securities	0.12	-
	Less: Earnings from bank interest	(96.77)	(43.53)
	Less: Income from investments	(25.60)	(13.79)
	Less: Profit/loss from treasury bills	(0.06)	-
	Operating profit before working capital changes	385.61	273.72
	Changes in working capital		
	(Increase) / Decrease in receivables under financing activity	(2,708.19)	(5,414.49)
	(Increase) / Decrease in long term loans and advances	(118.44)	(28.62)
	(Increase) / Decrease in short term loans and advances	(19.97)	(0.49)
	(Increase) / Decrease in other current assets	18.18	(40.91)
	(Increase) / Decrease in other non-current assets	0.37	(15.19)
	(Increase) / Decrease in balances held as margin money	0.67	(70.14)
	Increase /(Decrease) in trade payables	88.58	61.21
	Increase / (Decrease) in other current liabilities	74.97	383.82
	Increase/(Decrease) in provisions	4.69	7.04
	Net change in working capital	(2,659.14)	(5,117.77)
	Cash generated from operations	(2,273.53)	(4,844.05)
	Direct taxes paid / (refund received)	142.58	123.67
A.	Cash flow from Operating activities (A)	(2,416.11)	(4,967.72)
В.	Cash flow from investing activities		
	Purchase of fixed assets	(182.11)	(71.79)
	Sale of fixed assets	0.02	0.11
	Purchase of Central govt securities	(254.80)	-

			(Rupees in Crores)
Particulars		For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Sale of Central govt securities		254.68	-
Purchase of treasury bills		(603.51)	-
Sale of treasury bills		257.96	-
Purchase of mutual funds		(16,716.40)	-
Sale of mutual funds		16,726.82	-
Earnings from bank interest		92.29	42.46
Dividend from mutual fund		12.22	13.79
Discount acretion on treasury bills		1.03	
B. Cash flow from investing activities	(B)	(411.80)	(15.43)
C. Cash flow from financing activities			
Proceeds from issue of equity shares		1.14	-
Securities premium received		998.86	-
Share issue expenses		(1.66)	-
Proceeds from long term borrowings (including Non Converti	ble debenti	ures) 5,794.96	8,104.02
(Repayment) of long term borrowings		(3,778.52)	(2,434.85)
Proceeds from short term borrowings (including Commer	cial Paper	s) 459.13	253.27
(Repayment) of short term borrowings		(355.12)	(167.27)
Dividends paid		(17.74)	(3.24)
Tax on dividend		(3.61)	(0.65)
C. Cash flow from financing activities	(C)	3,097.44	5,751.28
Net Increase/(Decrease) in cash and cash equivalents			
during the year (A)+	-(B)+(C)	269.53	768.13
Cash and cash equivalents at the beginning of the year		1,768.10	999.97
Cash and cash equivalents at the end of the year*		2,037.63	1,768.10
Reconciliation of Cash and cash equivalents with the Bala	ance Shee	t:	
Cash and bank balances as at the end of the year		2,200.93	1,874.38
Less: Bank balances not considered as Cash and			
cash equivalents as defined in AS 3 Cash			
Flow Statements		163.30	106.28
Net Cash and cash equivalents (as defined in AS 3 Cash			
Flow Statements) included in Note 17		2,037.63	1,768.10
*Cash and cash equivalents at the end of the year		2,037.63	1,768.10
Comprises:			
(a) Cash on hand		16.37	18.35
(b) Balances with banks			

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
(i) In current accounts	431.26	546.75
(ii) In deposit accounts with original maturity of less than 3 months	1,590.00	1,203.00

See accompanying notes forming part of the Financial Statements 1 to 61 $\,$

Note:

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

In terms of our report attached

for Deloitte Haskins & Sells

Chartered Accountants

S. Ganesh

Partner

For and on behalf of the Board of Directors

R. Srinivasan

Executive Vice Chairman

Richa Saxena

Company Secretary

Place: Bengaluru Date: May 30, 2017 V.S. Radhakrishnan

Managing Director & CEO

Jayasheel Bhansali

Chief Financial Officer



Notes forming part of Financial Statements

Note 1

Corporate Information

Janalakshmi Financial Services Limited ('the Company'), headquartered in Bangalore, was incorporated on 24 July 2006 to carry on the business of providing financial services including granting loans, advances, trade credits 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 28 April 2017, the Reserve Bank of India has given license to the Company, under section 22(1) of the Banking Regulation Act, 1949, to set up a Small Finance Bank. The Company is in the process of complying with the RBI requirements to launch banking operations.

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), circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time, Accounting Standards ('AS') specified 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 exceptional 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 is charged on the cost or amount substituted for historical cost over the estimated useful life on a straight line basis after retaining a residual value of 5%, except for leasehold improvements which are fully depreciated.

Type of Asset	Useful Life
Leasehold improvements	Primary leasehold period or 3 years, whichever is earlier
Computers including desktops and electronic ed	quipment 3 Years
Servers & Networks	6 Years
Furniture & Fixtures	10 Years
Electrical installation	10 Years
Motor vehicles	8 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
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.

Any addition or extension to an existing asset which is of a capital nature and which becomes an integral part of the existing asset is depreciated over the remaining useful life of that asset. Any addition or extension which retains a separate identity and is capable of being used after the existing asset is disposed of, is depreciated independently on the basis of an estimate of its own useful life.

5 Revenue recognition

Interest on loans granted:

Interest income from Loan for Financial Assistance granted to Large Group (Formerly Self Help Groups (SHGs)), Small Group (Formerly Mutual Guarantee Groups (MGGs)), Individuals and others, 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 rests 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, with the exception for accounts with dues in November and December 2016 where RBI dispensation has been obtained for an additional period of 90 days (Refer Note 2.14 for further details).

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 on mutual fund units is recognised as income 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.

Quoted current investments for each category shall be valued at cost or market value, whichever is lower. Unquoted equity shares in the nature of current investments shall be valued at cost or breakup value, whichever is lower. Investments in unquoted Government securities or Government guaranteed bonds shall be valued at carrying cost. Net depreciation in each category is provided for / charged to profit and loss account. Treasury bills are valued at carrying cost.

7 Employee benefits

Defined contribution plan:

The 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 (Leave

encashment) 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 AS-19, Leases.

9 Earnings per share

The company reports basic and diluted earnings per share in accordance with the Accounting Standard-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 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 and 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 Accounting Standard 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 balance 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.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A disclosure for contingent liability is made when there is a possible obligation, or a present obligation

arising from a past event where outflow of resources is not probable or a reliable estimate of the amount of the obligation cannot be made.

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 120 - 420 days and 100% of principal outstanding for installments due for greater than 420 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 (portfolio <90 days overdue) outstanding	0.25% of balance outstanding	1% of balance
Instalments due for 90-180 days outstanding	50% of balance outstanding	25% of balance
Instalments due for >180 days outstanding	100% of balance outstanding	100% of balance

Over and above the Company maintains standard provision of 0.35% 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.

Consequent upon withdrawal of the legal tender status of the Specified Bank Notes of Rs 500 and Rs 1,000 notes (SBN) during the year, an RBI Circular has been issued on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances on 21 November 2016, which was further revised on 28 December 2016. As per the Circular, the Company has considered an additional 90 days beyond what is applicable for the concerned regulated entity(RE) for recognition of a loan account as substandard for dues payable between 1 November 2016 and 31 December 2016.

15 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.

Unamortised borrowing cost, if any, is fully expensed off as and when the related borrowing is prepaid / cancelled.

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.

16 Securitisation

The Company securitises out its loan portfolio, subject to the Minimum Holding Period ('MHP') criteria and the Minimum Retention Requirements ('MRR') of RBI, to Special Purpose Vehicles ('SPVs') in securitisation transactions. Such securitised portfolio are de-recognised in the balance sheet when they are sold (true sale criteria being fully met with) and consideration is received by the Company. At the time of the deal, the Company provides liquidity and credit enhancements on the securitised portfolio, as specified by the rating agencies, not exceeding 20% of the total securitised instruments, in line with RBI quidelines. The Company also acts as a servicing agent for the securitised deals.

The Company also enters into transactions for transfer of standard assets through the direct assignment of cash flows, subject to the RBI prescribed MHP criteria and the MRR. The Company does not provide liquidity or credit enhancements on the direct assignment transactions undertaken subsequent to the RBI quidelines dated August 21, 2012.

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 Share issue expenses

Share issue expenses are adjusted from Securities Premium Account in terms of Section 52 of the Companies Act, 2013.

19 Corporate social responsibility

Expenditure towards corporate social responsibility, in accordance with the Companies Act 2013, are recognised in the Statement of Profit and Loss.

20 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.

21 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.

22 Foreign Currency Transactions

Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date:

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Accounting for forward contracts:

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

The Company enters into derivative contracts in the nature of forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated above for foreign currency transactions and translations.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

23 Dividends

Final dividend, including tax thereon, on shares are recorded as a liability on the date of approval by the shareholders and interim dividend, including tax thereon, are recorded as a liability on the date of declaration by the Company's Board of Directors.

Notes forming part of Financial Statements

Note 3

01	
Share	capital
Jitaic	Capita

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Authorised		
Equity		
127,600,000 (31 March 2016: 5,500,000) Class 'A'		
Equity Shares of Rs.10/- each with voting rights	127.60	5.50
Preference		
Nil (31 March 2016: 122,100,000) Preference Shares of Rs.10 ea	ach -	122.10
Issued, Subscribed and Fully Paid- up		
27,464,405 (31 March 2016: 43,16,240) Class 'A'		
Equity Shares of Rs.10 each fully paid up with voting rights	27.46	4.32
Total Equity share capital	27.46	4.32
Nil (31 March 2016: 3,143,830) 0.0001% Class A		
Compulsorily Convertible Preference Shares of Rs. 10/- each	-	3.14
Nil (31 March 2016: 50,000) 0.0001% Class F Compulsorily		
Convertible Preference Shares of Rs. 10/- each	-	0.05
Nil (31 March 2016: 40,000) 0.0001% Class J Compulsorily		
Convertible Preference Shares of Rs. 10/- each	-	0.04
Total 0.0001% Compulsorily Convertible Preference Shares	-	3.23
3,143,830 (31 March 2015: 3,143,830) 0.0001% Class A Compu	lsorily	
Convertible Preference Shares of Rs. 10/- each	(3.14)	
50,000 (31 March 2015: 50,000) 0.0001% Class F		
Compulsorily Convertible Preference Shares of Rs. 10/- each	(0.05)	
40,000 (31 March 2015: 40,000) 0.0001% Class J Compulsorily	/	
Convertible Preference Shares of Rs. 10/- each	(0.04)	
TOTAL	27.46	7.55

Note (a)

Reconciliation of the no. of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Equity shares of Rs.10 each fully paid up - Class A		
No. of Shares as at the beginning of the year	43,16,240	43,16,228
Converted to Class 'A' Equity shares of Rs.10 each fully paid up*	32,291	12
Add: Issued during the year	11,44,350	
Add: Bonus Issue during the year	219,71,524	-
No. of shares as at the end of the year	274,64,405	43,16,240

^{*}During the year to date 2016-17, 3,233,830 Compulsorily Convertible Preference Shares of Rs.10/- each were converted into 201 Class A Equity Shares. During the previous year, 117,785,330 Compulsorily Convertible Preference Shares of Rs.10/- each were converted into 12 Class A Equity Shares.

During the year to date 2016-17, 15,975,780 Compulsorily Convertible Debentures of Rs.10/- each were converted into 32,090 Class A Equity Shares.

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Preference shares of Rs. 10 each fully paid up		
No. of Shares as at the beginning of the year	32,33,830	1210,19,160
Less: converted to equity during the year*	32,33,830	
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	-	247,29,130
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	-	174,67,430
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	-	96,72,741
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	-	54,17,339
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	-	21,69,280

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
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	-	111,92,030
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	-	81,35,260
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	-	390,02,120
Add: Issued during the year	-	-
No. of Shares as at the end of the year	-	32,33,830

^{*}During the year to date 2016-17, 3,233,830 Compulsorily Convertible Preference Shares of Rs.10/- each were converted into 201 Class A Equity Shares. During the previous year, 117,785,330 Compulsorily Convertible Preference Shares of Rs.10/- each were converted into 12 Class A Equity Shares. During the year to date 2016-17, 15,975,780 Compulsorily Convertible Debentures of Rs.10/- each were converted into 32,090 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 Mar 2017		As at 31 Mar 2017 As at 31 Mar 2016	
	Class A	% of Holding	Class A	% of Holding
Jana Capital Limited*	-	-	11,37,746	26.36%
Jana Holdings Limited	129,51,720	47.16%	-	-
North Haven Private Equity Asia				
Platinum Pte. Ltd (Earlier known				
as MSPEA Platinum Pte. Ltd.)	34,48,675	12.56%	6,41,520	14.86%
TPG Asia VI SF Pte. Ltd	34,58,575	12.59%	5,81,113	13.46%
Client Rosehill Limited	17,57,755	6.40%	4,88,482	11.32%
Alpha TC Holdings Pte Ltd	17,48,975	6.37%	3,49,795	8.10%
CVCI GP II Employee Rosehill Limited	d -	-	2,73,580	6.34%
Treeline Asia Master Fund				
(Singapore) Pte. Ltd.	-	-	2,16,088	5.01%

^{*}Note: During the year, the shares held by Jana Capital Limited were acquired by Jana Holdings Limited During the previous 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

Note (d)

Aggregate number of Class A equity shares of Rs.10 each, allotted as fully paid up bonus shares during the year FY 16-17 is Rs 21.97 Cr (31 March 2016 : Nil).

Note (e)

Disclosure required in terms of Clause 13.5A of Chapter XIII on Guidelines for preferential issues, SEBI (Disclosure and Investor Protection) Guidelines, 2000 for preferential issue proceeds

The money received on account of preferential issue proceeds is utilised for the business and there are no untilised money as of 31st March 2017.

Note (f)

Key Terms / rights attached to Preference Shares

Class of Preference Shares	Rank	Voting	Conversion
Class A	The Preference Shares shall rank pari passu with		
Class F	Class A Equity Shares of the Company without any	Preference Shares shall carry no voting	Refer Note (e)
Class J	preference or priority over them except in respect of dividends.	rights	below

Class A	The Class A Preference Shares shall carry no voting rights.
Class F	Class A Preference Shares shall unless converted earlier into Class A Equity Shares be compulsorily converted, upon the tenth anniversary of Completion. 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. 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. The Class F Preference Shares shall carry no voting rights.
Class J	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. 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. The Class J Preference Shares shall carry no voting rights
	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. 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. 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.

Notes forming part of Financial Statements

Note 4

Reserves and Surplus

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Securities premium account		
Opening balance	939.92	822.13
Add: Additions during the year	1,018.03	117.79
Less: Bonus Issue during the year	21.97	-
Less: Utilised for adjustment of share issue expenses during the	ne period * 1.66	-
Closing balance	1,934.32	939.92
Statutory reserve**		
Opening balance	61.12	29.06
Add: Transfer from Statement of Profit and Loss	34.02	32.06
Closing balance	95.14	61.12
General reserve	14.41	14.41
Closing balance	14.41	14.41
Excess/(Deficit) in Statement of Profit and Loss		
Opening balance	205.42	82.39
Add: Profit during the year	170.11	160.29
Less: Transfer to Statutory Reserve **	(34.02)	(32.06)
Less: Dividend to Preference Share holdersLess: Dividend propose	ed to be distributed to e	quity
shareholders *** (Refer Note 60) (31 March 2016: Rs. 10/- per sha	are) -	(4.32)
Less: Interim Dividend paid to equity shareholders	(13.42)	-
Less: Dividend distribution tax	(2.73)	(0.88)
Closing balance	325.36	205.42
Total	2,369.23	1,220.87

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

^{**} 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.

^{***} The Board of Directors, in its meeting on May 30, 2017, have proposed a final dividend of Rs.1/- per equity share for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on June 30, 2017 and if approved would result in a cash outflow of Rs. 2.75 crores as dividend and Rs. 0.56 crores as dividend distribution tax.

Notes forming part of Financial Statements

Note 5

Long term borrowings*

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
(a) Non-convertible debentures		
Secured Nil (31 March 2016: 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. (Refer Note 9)	-	65.00
Nil (31 March 2016: 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. (Refer Note 9)		50.00
120 Nos, 13.32% (31 March 2016: 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	9 120.00	120.00
160 Nos, 13.60% (31 March 2016: 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	160.00	200.00
Nil (31 March 2016: 3000 Nos, 13.07%) 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. (Refer Note 9)	-	300.00
76 Nos, 12.85% (31 March 2016: 76 Nos, 12.85%) 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.	76.00	76.00

		(Rupees in Crores)
Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Nil (31 March 2016: 500 Nos, 12.75%) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in July 2017 (Refer Note 9)	-	50.00
500 Nos, 12.85% (31 March 2016: 500 Nos, 12.85%) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in July 2018	50.00	50.00
500 Nos, 13.10% (31 March 2016: 500 Nos, 13.10%) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in July 2019	50.00	50.00
50 Nos, 12.85% (31 March 2016: 50 Nos, 12.85%) Non Convertible Debentures of Rs. 10,000,000 each redeemable at par in June 2018	50.00	50.00
50 Nos, 12.85% (31 March 2016: 50 Nos, 12.85%) Non Convertible Debentures of Rs. 10,000,000 each redeemable at par in June 2018	50.00	50.00
Nil (31 March 2016: 1000 Nos, 12.75%) Non Convertible Debentures o Rs. 1,000,000 each redeemable at par in July 2017 (Refer Note 9)	f -	100.00
500 Nos, 12.85% (31 March 2016: 500 Nos, 12.85%) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in July 2018	50.00	50.00
1000 Nos, 12.50% (31 March 2016: 1000 Nos, 12.50%) Non Convertibl Debentures of Rs. 1,000,000 each redeemable at par in August 2018	le 100.00	100.00
250 Nos, 12.85% (31 March 2016: 250 Nos, 12.85%) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in August 2018	25.00	25.00
98 Nos, 12.01% (31 March 2016:98 Nos, 12.01%) 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 Com	pany. 98.00	98.00
1670 Nos, 12% (31 March 2016: 2500 Nos, 12%) 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	167.00	250.00
1000 Nos, 12.65% (31 March 2016: 1000 Nos, 12.65%) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in April 2019	e 100.00	100.00
1000 Nos, 12.65% (31 March 2016: 1000 Nos, 12.65%) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in March 2019	e 100.00	100.00

		(Rupees in Crores)
Particulars	As at 31 Mar 2017	As at 31 Mar 2016
600 Nos, 12.50% (31 March 2016: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during April, 2019	60.00	-
500 Nos, 12.50% (31 March 2016: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during April, 2019	50.00	-
250 Nos, 12.50% (31 March 2016: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during March, 2019	25.00	-
500 Nos, 12.50% (31 March 2016: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during May, 2019	50.00	-
15,000 Nos, 1.25% (31 March 2016: Nil) Non Convertible Debentures of Rs. 10,000/- each redeemable with Rs. 3739.46 premium per debenture at maturity.	15.00	-
Unsecured (Includes subordinate debt of Rs.626 crores, previous year	- Rs.476 crores)	

Nil (31 March 2016: 500 Nos, 12.43%) 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.(Refer Note 9)	-	50.00
Nil (31 March 2016: 187.5 Nos, 13.10%) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in 8 quarterly installments by August 2017 (Refer Note 9)	-	18.75
3300 Nos, 13.80% (31 March 2016: 3300 Nos, 13.80%) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in December 2022	330.00	330.00
400 Nos, 14% (31 March 2016: 400 Nos, 14%) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in June 2021	40.00	40.00
800 Nos, 14.2% (31 March 2016: 800 Nos, 14.2%) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in May 2023	80.00	80.00
260 Nos, 13.35% (31 March 2016: 260 Nos, 13.35%) Non Convertible Debentures of Rs. 1,000,000 each redeemable at par in May 2022	26.00	26.00
400 Nos, 12.78% (31 March 2016: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during April, 2019	40.00	-

		(Rupees in Crores)
Particulars	As at 31 Mar 2017	As at 31 Mar 2016
1000 Nos, 12.78% (31 March 2016: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during May, 2019	100.00	-
500 Nos, 13.40% (31 March 2016: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during June, 2022	50.00	-
500 Nos, 13.40% (31 March 2016: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during December, 2022	50.00	-
500 Nos, 13.40% (31 March 2016: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during June, 2023	50.00	-
500 Nos, At Zero coupon (31 March 2016: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at premium of Rs. 4,39,325 per debenture at redemption.	50.00	-
250 Nos, 12.65% (31 March 2016: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during June, 2019	25.00	-
1000 Nos, 12.40% (31 March 2016: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during July, 2019	100.00	-
150 Nos, at Zero coupon (31 March 2016: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at premium at maturity	/ 15.00	-
100 Nos, 10.50% (31 March 2016: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during September, 2019	10.00	-
250 Nos, 10.15% (31 March 2016: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during April, 2019	25.00	-
100 Nos, 10.15% (31 March 2016: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during November, 2019	10.00	-
328 Nos, 10.43% (31 March 2016: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during December, 2019	328.00	-
338 Nos, 10.76% (31 March 2016: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during December, 2020	338.00	-
338 Nos, 11.10% (31 March 2016: Nil) Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par during December, 2021	338.00	-

		(Nupees III Crores)
Particulars	As at 31 Mar 2017	As at 31 Mar 2016
(b) Term loans (refer Note below)		
i) From banks		
Secured	1,293.03	2,328.72
Unsecured	679.57	-
Note: Loans availed from Banks and Others are secured by exclusive charge receivables arising out of loans disbursed and cash margin of Rs. 56.68 Crores (31 March 2016: Rs. 54.59 Crores)		
ii) From others		
Secured (Includes refinance loan of Rs 695.34 Crores,		
previous year Rs 222.88 Crores)	980.15	674.55
Unsecured (Includes subordinate debt of Rs 125 Crores,		
previous year Rs 125 Crores)	154.77	125.00
Total	6,508.52	5,557.02

^{*}Loans availed are secured by exclusive charge on receivables arising out of loans disbursed.

Notes forming part of Financial Statements

Terms of Repayment - Term Loans As at 31 March 2017

Terms of Repayment and Interest

. ,			•	•
Rate of Interest	Maturity	Installments	Current	Non Current
Borrowings From Banks				
Repayable in Monthly Installments				
Base Rate + (0.15%-2%)	<1 year	267	950.57	
	1-2 years	178		664.85
	2-3 years	96		371.58
	3-4 years	3		16.67
Base Rate + (2%-3%)	<1 year	264	762.43	
	1-2 years	74	193.07	
Base Rate +(3%-4%)	<1 year	29	26.54	
Fixed	<1 year	30	82.46	
	1-2 years	5		4.53
Repayable in Quarterly Installments				
Base Rate + (0.15%-2%)	<1 year	67	617.67	-
	1-2 years	44	-	380.99
	2-3 years	21	-	168.44
	3-4 years	1	-	4.17
Base Rate + (2%-3%)	<1 year	21	115.58	-
	1-2 years	8	-	43.29
	2-3 years	3	-	19.96
Base Rate +(3%-4%)	<1 year	11	70.16	-
	1-2 years	1	-	11.22
Fixed	<1 year	16	169.17	-
	1-2 years	7	-	44.17
	2-3 years	1	-	1.67
Repayable in Annual Installments	•			
Base Rate + (0.15%-2%)	<1 year	1	12.50	-
Repayable in Bullet				
Base Rate + (0.15%-2%)	1-2 years	1	=	30.00
	•			

Terms of Repayment and Interest

Terms of Repayment and interest		Amount	acstariaing (itt	apees in Crores
Rate of Interest	Maturity	Installments	Current	Non Current
Fixed	<1 year	2	185.00	-
	1-2 years	1	-	18.00
Total			2,992.08	1,972.61
Borrowings from Others				
Repayable in Monthly Installments				
Fixed	<1 year	107	212.92	-
	1-2 years	39	-	105.11
Repayable in Quarterly Installments				
Fixed	<1 year	29	77.53	-
	1-2 years	17	-	29.77
	2-3 years	5	-	39.29
	3-4 years	8	-	62.99
	4-5 years	3	-	23.70
Repayable in Bullet				
Fixed	1-2 years	1	-	50.00
	>5 years	2	-	128.73
Total			290.45	439.59
Refinance Loan Repayable in Monthly Instalments				
Fixed	<1 year	12	52.20	-
	1-2 years	2	-	8.67
Repayable in Bi-annual Installments				
Fixed	<1 year	12	401.67	-
	1-2 years	10	-	351.67
	2-3 years	6	-	247.50
	3-4 years	6	-	41.00
	4-5 years	5	-	33.50
	>5 years	2	-	13.00
Total			453.87	695.34
Grand Total			3,736.40	3,107.54

Terms of Repayment - Term Loans As at 31 March 2016

Terms of Repayment and Interest

Terms of Repayment and Interest	Amount Outstanding (Rupees in Crore				
Rate of Interest	Maturity	Installments	Current	Non Current	
Borrowings From Banks Repayable in Monthly Installments					
Base Rate + (0.5% - 2%)	< 1 year	182	552.93	-	
	1-2 years	146	-	485.64	
	2-3 years	66	-	176.88	
Base Rate + (2%- 3%)	< 1 year	348	1,024.04	-	
	1-2 years	230	-	631.85	
	2-3 years	39	-	106.00	
Base Rate +(3% - 4%)	< 1 year	106	123.69	-	
	1-2 years	24	-	14.74	
	2-3 years	2	-	0.83	
Fixed	< 1 year	116	331.42	-	
	1-2 years	49	-	131.29	
	2-3 years	11	-	13.55	
Repayable in Quarterly Installments					
Base Rate + (0.5% - 2%)	< 1 year	45	331.64	-	
	1-2 years	36	-	196.72	
	2-3 years	19	-	76.58	
	3-4 years	5	-	13.75	
Base Rate + (2%- 3%)	< 1 year	49	285.39	-	
	1-2 years	26	-	170.10	
	2-3 years	8	-	43.35	
	3-4 years	3	-	19.96	
Base Rate +(3% - 4%)	< 1 year	8	16.31	-	
	1-2 years	3	-	7.00	
Fixed	< 1 year	20	370.50	-	
	1-2 years	11	-	150.00	
Repayable in Annual Installments					
Base Rate + (0.5% - 2%)	< 1 year	1	12.50	-	
	1-2 years	1	-	12.50	
Repayable in Bullet					
Fixed	< 1 year	6	112.25	-	
	1-2 years	1	-	60.00	
	2-3 years	1	-	18.00	
Total			3,160.67	2,328.74	

Terms of Repayment and Interest

Terms of Repayment and interest	Amount Outstanding (Rupees in Crores				
Rate of Interest	Maturity	Installments	Current	Non Current	
Borrowings from Others					
Repayable in Monthly Installments					
Base Rate +(4% - 7%)	< 1 year	45	24.58	_	
,	1-2 years	28	-	14.60	
	2-3 years	10	_	4.17	
Fixed	< 1 year	92	196.08	-	
	1-2 years	66	-	150.68	
	2-3 years	23	_	74.70	
Repayable in Quarterly Installments					
Fixed	< 1 year	15	44.07	_	
	1-2 years	3	_	25.00	
	3-4 years	5	_	45.83	
	4-5 years	8	_	62.99	
	> 5 years	3	-	23.70	
Repayable in Bullet					
Fixed	2-3 years	1	_	50.00	
	> 5 years	2	_	125.00	
Total	,		264.73	576.67	
Refinance Loan					
Repayable in Monthly Instalments					
Fixed	< 1 year	9	25.45	_	
	1-2 years	12	-	33.93	
	2-3 years	2	-	5.62	
Repayable in Bi-annual Installments	,				
Fixed	< 1 year	6	116.67	-	
	1-2 years	6	-	116.67	
	2-3 years	4	-	66.67	
Total			142.12	222.89	
Grand Total			3,567.5	3,128.30	

Notes forming part of Financial Statements

Note 6

Long - term provisions

(Rupees in Crores)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
(a) Provision for employee benefits		
Provision for compensated absence (Leave encashment)	13.90	9.27
(b) Provision on Portfolio - Standard assets (Refer Note 45)	40.57	40.91
Total	54.47	50.18

Note 7

Short - term Borrowings

		(apccc c.c.co,
Particulars	As at 31 Mar 2017	As at 31 Mar 2016
(a) Loans repayable on demand (Secured)		
From banks (Overdraft Balances)	25.52	113.29
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)		
Persons with significant influence (Refer Note 36)	1.75	1.75
Relative of Persons with significant influence (Refer Note 36)	2.15	2.15
Terms of repayment : Payable on demand (Rate of interest :	12%)	
(c) Commercial Paper (unsecured)	190.00	86.00
Terms of repayment :		
25 Crores , 9.75% , 364 days		
75 Crores , 8.7% , 364 days		
65 Crores , 8.7% , 364 days		
25 Crores , 8.75% , 363 days		

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Terms of repayment for previous year :		
Rs.75 Crores, 364 days @ 10.90%		
Rs.11 Crores, 364 days @ 10.25%		
Total	219.42	203.19

Note 8

Trade Payables

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Other than acceptances		
Total Outstanding Dues of Micro Enterprises and		
Small Enterprises (Refer Note 26)	-	-
Total Outstanding Dues of Creditors other than		
Micro Enterprises and Small enterprises	175.48	86.91
Total	175.48	86.91

Notes forming part of Financial Statements

Note 9

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Other	curren	τι	ıar	ווונו	es

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Current maturities of long-term debt (a) Non-convertible debentures Secured (Refer Note 5) Nil(31 March 2016: 30 nos,13.50%) Non-Convertible Debentures of Rs. 10,000,000/- each redeemable at par durin 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.	ng -	30.00
125 Nos, 13.50% (31 March 2016: 125 Nos, 13.50%) Non-Conv. Debentures of Rs. 10,000,000/- each redeemable at par durin February 2018 or on exercise of Put Option at the exercise dat (August, 2016) by the debenture trustee on behalf of debenture	ng te	125.00
1000 Nos, 13.50% (31 March 2016: 1000 Nos, 13.50%) Non-Convertible Debentures of Rs. 1,000,000/- each redeem 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.	nable 100.00	100.00
Nil(31 March 2016: 250 Nos, 12.87%) Non-Convertible Debent of Rs. 1,000,000 each redeemable in 7 quarterly instalments of Rs. 35,714,286 by March 2017		14.29
65 Nos, 14.40% (31 March 2016: Nil) Non-Convertible Debent of Rs. 10,000,000/- each redeemable at par during May 2019 on exercise of Put Option at the exercise date (May, 2017) by the debenture trustee on behalf of debenture holders or or exercise of Call Option at the exercise date by the Company.	or	_

		(Rupees in Crores)
Particulars	As at 31 Mar 2017	As at 31 Mar 2016
50 Nos, 13.53% (31 March 2016: Nil) 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.	of 50.00	_
40 Nos, 13.60% (31 March 2016: Nil) Non-Convertible Debentures of Rs. 10,000,000 each redeemable at par after 3 years from issue date in 5 equal quarterly instalments by January 2019	40.00	-
3000 Nos, 13.07% (31 March 2016:Nil) Non-Convertible Debenture 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.	s 300.00	-
500 Nos, 12.75% (31 March 2016: Nil) Non-Convertible Debentures of Rs. 1,000,000 each redeemable at par in July 2017	50.00	-
1000 Nos, 12.75% (31 March 2016:Nil) Non-Convertible Debentures of Rs. 1,000,000 each redeemable at par in July 2017	s 100.00	-
2500 Nos, 12% (31 March 2016: Nil) Non-Convertible Debentures of Rs. 1,000,000 each redeemable in 3 half yearly instalments of Rs.833,333,333 by Dec-17, Sep-18 and Dec-18	83.00	-
Unsecured 187.5 Nos, 13.10% (31 March 2016: 375 Nos) Non-Convertible Debentures of Rs. 1,000,000 each redeemable at par in 8 quarterly installments by August 2017	18.75	37.50
500 Nos, 12.4296% (31 March 2016: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 hole	lders. 50.00	-
350 Nos, 12.33% (31 March 2016: Nil) Non-Convertible Debentures of Rs. 1,000,000/- each redeemable at par during December, 2017	35.00	-
500 Nos, 12.25% (31 March 2016: Nil) Non-Convertible Debentures of Rs. 1,000,000/- each redeemable at par during March, 2018	50.00	-

		(Rupees in Crores)
Particulars	As at 31 Mar 2017	As at 31 Mar 2016
500 Nos, 12.25% (31 March 2016: Nil) Non-Convertible Debentures of Rs. 1,000,000/- each redeemable at par during January, 2018	50.00	-
750 Nos, 11.95% (31 March 2016: Nil) Non-Convertible Debender of Rs. 1,000,000/- each redeemable at par during January, 20		-
150 Nos, 11.95% (31 March 2016: Nil) Non-Convertible Debentures of Rs. 1,000,000/- each redeemable at par during February, 2018	15.00	-
(b) Compulsorily Convertible Debentures (Unsecured)	-	15.98
15,975,780 Nos (Convertible to 32,090 Class A Equity shares a the earlier of expiry of 18 months post completion (10 November 2014) or the occurrence of a liquidity event)	t	
(c) Term loan i) From banks		
Secured Unsecured ii) From others	2,548.46 443.60	3,160.67
Secured (Includes refinance loan of Rs. 453.87 Crores,		
previous year Rs. 142.11Crores)	696.22	390.28
Unsecured	44.19	16.57
(d) Interest accrued but not due on borrowings	240.45	115.58
(e) Other payables		
Statutory payments	18.87	9.57
Grant (Refer Note 33)	-	0.38
Amount payable to trust/investors in respect of		
collections from managed portfolio	223.83	178.88
Payable towards micro pension and insurance	7.55	35.39
Gratuity Payable (Refer Note 34) Payable towards death claims	- 5.47	0.69 0.33
Others	8.77	3.97
Total	5,444.16	4,235.08

Short Term Provisions

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
(a) Provision for employee benefits (Current portion of		
Employee Benefits)(Refer Note 34)		
Provision for compensated absence	2.44	2.37
(b) Provision on Portfolio (Refer Note 45)		
Contingency Provision	150.00	-
Provision in respect of standard assets	64.15	45.61
Provision for non-performing assets	17.34	6.26
(c) Others		
Provision for taxes		
(net of advance tax and TDS - Rs. 168.66 Crores		
(31 March 2016: Rs. 27.25 Crores)	8.77	0.57
Provision -others	11.38	-
Provision for proposed dividend	-	4.32
Provision for tax on proposed dividend	-	0.88
Total	254.08	60.01

JANALAKSHMI FINANCIAL SERVICES LIMITED

Notes forming part of Financial Statements

Note 11

Tangible Assets**

(Rupees in Crores)

			Gross	s Block			Depre	eciation		Net I	Block
Sl. No.	Particular	As on 1st April 2016	Addi- tions	On Delet- ions	As on 31st March 2017	As on 31st March 2016	For the Year	On Delet- ions	As on 31st March 2017	As on 31st March 2017	As on 31st March 2016
											Rs.
1	Computer	58.22	36.82	0.40	94.64	25.46	21.64	0.38	46.72	47.92	32.76
2	Electrical Equipments*	1.60	0.49	0.03	2.06	1.05	0.12	0.01	1.16	0.90	0.55
3	Furniture & Fixture*	17.41	13.01	0.08	30.34	2.27	2.36	0.04	4.59	25.75	15.14
4	Leasehold Improvements*	29.96	31.50	-	61.46	15.17	11.16	-	26.33	35.13	14.79
5	Office Equipments	13.38	21.32	0.59	34.11	3.97	4.04	0.48	7.53	26.58	9.41
6	Servers & Networks	7.57	6.43	-	14.00	1.23	1.82	-	3.05	10.95	6.34
Tota	al	128.14	109.57	1.10	236.61	49.15	41.14	0.91	89.38	147.23	78.99
	Previous year***	(80.00)	56.54)	(8.40)(128.14)	(26.67)(28.29)	(5.82)	49.15)	(78.99)(53.33)

^{*} Includes a portion of assets given on operating lease.

Note 12

Intangible Assets

			Gross	Block			Depre	ciation		Net E	Block
Sl. No.	Particular	As on 1st April 2016	Addi- tions	On Delet- ions	As on 31st March 2017	As on 31st March 2016	For the Year	On Delet- ions	As on 31st March 2017		As on 31st March 2016
											Rs.
1	Marketing Distribution network	k 1.12	-	-	1.12	1.12	-	-	1.12	-	-
2	Computer Software	40.54	35.91	-	76.45	11.40	20.72	-	32.12	44.33	29.14
	Total	41.66	35.91	-	77.57	12.52	20.72	-	33.24	44.33	29.14

^{**} Owned unless otherwise stated

^{***}Figures in brackets represents previous years numbers.

		Gross Block		Depreciation				Net Block			
Sl. No.	Particular	As on 1st April 2016	Addi- tions	On Delet- ions	As on 31st March 2017	As on 31st March 2016	For the Year	On Delet- ions	As on 31st March 2017	As on 31st March 2017	As on 31st March 2016
											Rs.
	Previous vear*	(16.21)	(25.45)	_	(41.66)	(5.47)	(7.05)	_	(12.52)	(29.14)	(10.74)

^{*}Figures in brackets represents previous years numbers.

Depreciation and amortisation expense:

Sl No	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
1	Depreciation for the year as per Note 11	41.14	28.29
2	Amortisation for the year as per Note 12	20.72	7.05
		61.86	35.34

JANALAKSHMI FINANCIAL SERVICES LIMITED

Notes forming part of Financial Statements

Note 13

Non-current investments

Non-trade investments valued at cost

(Rupees in Crores)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Non-current investments in other entities		
100,000 (31 March 2016: 100,000) Equity Shares of		
Rs 10 each fully paid-up in Alpha Micro		
Finance Consultants Pvt. Ltd.	0.10	0.10
Total	0.10	0.10
Aggregate value of unquoted investments	0.10	0.10

Note 14

Long-term loans and advances

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
a. Capital advances		
Unsecured, considered good	92.72	2.70
Sub-Total	92.72	2.70
b. Security Deposits		
Secuirty Deposits towards Rent	66.72	40.80
Security Deposits towards Others	2.18	0.22
Sub-Total	68.90	41.02
c. Other loans and advances (Unsecured considered		
good unless otherwise stated)		
Loans for financial assistance (Refer Note 42 to 46)		
Secured considered good	1.93	5.09
Unsecured, considered good	4,561.27	4,284.44

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Employee loans Advance tax (net of provision for tax	1.12	0.59
Rs. 148.67 Crores (31 March 2016: Rs. 148.94 Crores)	22.09	20.91
Sub-Total	4,586.41	4,311.03
Total	4,748.03	4,354.75

Note 15

Other non-current assets

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Balances with banks		
In Deposit account (represents margin money)	71.43	129.12
Interest accrued on fixed deposits	4.31	3.97
Unamortised expenses	25.67	23.23
Forward Contract asset	3.73	6.54
Total	105.14	162.86

JANALAKSHMI FINANCIAL SERVICES LIMITED

Notes forming part of Financial Statements

Note 16

Current Investments

(Rupees in Crores)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Treasury Bills*	347.54	-
Total	347.54	-
* Aggregate value of Unquoted Investments	347.54	-

Note 17

Cash and cash equivalents

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
a) Cash on hand	16.37	18.35
b) Balances with banks*		
In Current account	431.26	546.75
In Deposit account	1,753.30	1,309.28
Total	2,200.93	1,874.38
Of the above, the balances that meet the		
definition of Cash and cash equivalents as		
per AS 3 Cash Flow Statements is :	2,037.63	1,768.10

^{*}Balances with banks include margin monies amounting to Rs. 39.89 Crores (As at 31 March, 2016: Rs. 68.97 Crores) which have an original maturity of more than 12 months. Escurities against guarantees amounting to Rs 11.5 Crores (As at 31 March 2016 Nil)

Short - term loans and advances

(Rupees in Crores)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
a) Balances with government authorities		
Unsecured, considered good		
Service Tax Credit Receivable	13.58	0.30
Sub-Total	13.58	0.30
b. Others (Unsecured considered good)		
Employee loans	2.12	2.02
Prepaid expenses	12.17	6.70
Receivable from related party (Refer Note 36)	0.05	-
Deposits	0.38	0.30
Advance to vendors	5.64	4.66
Sub-Total	20.36	13.68
Total	33.94	13.98

Note 19

Other current assets

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Loans for financial assistance		
(Refer Note 42 to 46)		
Secured considered good	3.04	0.38
Unsecured considered good (includes Rs. 194.48 Crores		
(31 March 2016: Rs. 138.71 Crores) towards collateral		
for assignment of receivables)	7,131.72	4,763.63
Considered doubtful	81.76	18.01
Sub-total (a)	7,216.52	4,782.02
Interest accrued on fixed deposits	14.95	10.81
Interest accrued on loans for financial assistance	4.37	25.65
Unamortised expenses	26.73	23.67
Discount on Commercial Paper	11.58	7.73
Other receivable	9.05	15.77
Gratuity (net of liability) (Refer Note 33)	2.91	
Insurance claim receivable	-	1.83
Less: Provision	-	(1.83)
Sub-total (b)	69.59	83.63
Total (a)+(b)	7,286.11	4,865.65

Revenue from operations

(Rupees in Crores)

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
a) Interest income from financial assistance	2,709.93	1,505.24
b) Other financial services		-
Processing charges	103.21	125.38
Other operating income	7.13	1.68
Total	2,820.27	1,632.30

Note 21

Other income

(Rupees in Crores)

		, .
Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Interest income on -		
Current investments	96.77	43.53
Long term investments	0.02	-
Others - related parties	0.01	0.01
Dividend income on -Current investments	25.60	13.79
Others		-
Fee based income*	23.90	85.62
Rent income from operating leases(Refer Note 38)	0.22	0.19
Miscellaneous income	11.65	9.10
Total	158.17	152.24

Note 22

Finance costs

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Interest expense on borrowings	1,220.58	732.01
Other borrowing costs	11.16	23.09
Total	1,231.74	755.10

Employee Benefits Expenses

(Rupees in Crores)

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Salaries and allowance	452.19	258.42
Contribution to provident fund and other funds*	25.02	12.76
Staff welfare	9.48	4.31
Total	486.69	275.49

^{*}Refer Note 33(a)

Note 24

Operating expenses

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Business process outsourcing expenses	66.78	61.74
Legal and professional fees *(Refer Note below)	73.82	52.83
Technology expenses	100.19	55.24
Travelling and conveyance	65.15	32.51
Business Correspondent Expenses	21.92	31.55
Rent (Refer Note 38)	80.81	23.41
Service tax expenses	0.16	19.92
House keeping and Security expenses	29.44	16.77
Expenses Towards Management Services	29.35	13.03
Cash management service charges	20.90	11.76
Postage, telephone & courier charges	26.53	9.35
Printing and stationery	9.47	8.74
Data Entry Charges	2.76	6.74
Rates & taxes	3.14	5.18
Training expenses	15.42	4.63
Staff recruitment expenses	12.98	4.53
Repairs and maintenance	6.59	3.86
Electricity and water charges	6.45	3.52
Insurance	10.92	3.13
Agent commission	5.40	3.11
Loss on sale of fixed assets	0.18	2.47
Corporate Social Responsibility expenses (Refer Note 41)	2.46	1.23
Donation	0.66	-

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Brokerage	0.50	0.40
Sitting fees	0.24	0.17
Advertisement and business promotion expenses	39.09	0.25
Miscellaneous expenses	10.23	9.35
Total	641.54	385.42

Note 25

Provision/write off for receivables under financing activity (Refer Note 46)

(Rupees in Crores)

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Provision for non performing and other assets	29.28	55.03
Bad debts written off	122.11	39.95
Total	151.39	94.98

*Note

(Rupees in Crores)

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Remuneration to auditors		
As auditors - statutory audit	0.36	0.36
For tax audit	0.03	0.03
For other services	0.04	0.04
Reimbursement of expenses	0.01	0.01
Total	0.44	0.44

Note 26

Dues to micro and small enterprises

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

Derivative instruments

- a. Financial risk management objectives
 - The company's treasury function is responsible for company's access to financial markets. Further, treasury function monitors and manages various risks relating to treasury operations of the company including currency risk, market risk and liquidity risk. In course of managing these risks, the company may use various market instruments as permissible for the company based on RBI guidelines and internal approvals. Further, compliance with various policies and exposure limits is reviewed by the internal auditors as required. The company does not enter into any trade in financial instruments including derivative financial instruments for speculative purposes.
- b. There were no unhedged foreign currency exposures as at 31 March 2017 (31 March 2016: Nil).
- c. Outstanding forward exchange contracts entered into by the Company as on 31 March 2017

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Foreign Currency	Rs.	Foreign Currency	Rs.
Buy	USD 20 Million	129.70 Crores	USD 20 Million	132.51 Crores

Note 28

Contingent liabilities

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	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
A. Contingent Liabilities		
i. Income tax - AY 12-13*	0.80	0.80
ii. Income tax - AY 13-14*	2.74	2.74
B. Bank Guarantee	12.25	0.75

^{*}A sum of Rs 0.20 crore and Rs 0.41 crore was paid under protest against the demands for the AY 2012-13 and AY 2013-14.

Capital Commitments

The total capital commitment for the year ended 31 March 2017 is Rs 163.40 crore (previous year : Rs 204.52 crore), out of which Rs. 128.18 crore (31 March 16 Rs. 204.52 crore) is on account of the six-year technology outsourcing agreement signed with IBM in August 2014.

Note 30

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 31

Expenditure in foreign currency

(Rupees in Crores)

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Technology expenses	0.10	0.21
Legal and professional charges	6.82	2.44
Recruitment expense	0.42	-
Loan processing fees	0.24	1.16
Travel	0.10	-
Training expense	0.09	-
Debit card expenses	0.06	-
Membership and subscription	0.10	-
Total	7.93	3.81

Note 32

Expenditure in foreign currency

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

Note 33

Expenditure in foreign currency

During the year, the Company has received a revenue Grant of Rs. Nil (31 March 2016: Rs.0.41 crore) and Rs.0.38 crore (31 March 2016: Rs. 0.25 crore) has been utilised towards specific expenditure incurred and a balance Rs. Nil (31 March 2016: Rs. 0.38 crore) is pending utilisation.

Grant	As at 1 April 2016	Amount Received	Amount Utilised	As at 31 March 2017
International Finance Corporation	0.38	-	0.38	-
Total	0.38	-	0.38	-

(Rupees in Crores)

Grant	As at 1 April 2015	Amount Received	Amount Utilised	As at 31 March 2017
International Finance Corporation	0.22	0.41	0.25	0.38
Total	0.22	0.41	0.25	0.38

Note 34

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.22.11 crore (31 March 2016 Rs.11.17 crore) for Provident Fund contributions and Rs. 5.19 crore (31 March 2016 Rs.2.94 crore) 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 2017.

Gratuity	FY 16-17	FY 15-16
Components of employer's expense		
Current Service cost	1.12	0.58
Interest cost	0.23	0.12
Expected return on plan assets	-	(0.09)
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Transitional Adjustment	-	-
Actuarial Losses/(Gains)	1.74	0.99
Total expense recognised in the Statement of Profit & Loss	3.09	1.60

		(Rupees in Crores
Gratuity	FY 16-17	FY 15-16
Actual Contribution and Benefits Payments for year ende	d	
Actual benefit payments	(0.25)	(0.16)
Actual Contributions	6.45	1.30
Net asset/(liability) recognised in balance sheet		
Present value of Defined Benefit Obligation (DBO)	5.83	2.92
Fair value of plan assets	8.74	2.28
Funded status [Surplus/(Deficit)]	2.91	(0.64)
Unrecognised Past Service Costs		
Net asset/(liability) recognised in balance sheet	2.91	(0.64)
Change in Defined Benefit Obligations during the year en	ded	
Present Value of DBO at beginning of year	2.92	1.48
Current Service cost	1.12	0.58
Interest cost	0.23	0.12
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Plan amendments	-	-
Acquisitions	-	-
Actuarial (gains)/ losses	1.81	0.90
Benefits paid	(0.25)	(0.16)
Present Value of DBO at the end of year	5.83	2.92
Change in Fair Value of Assets during the year ended		
Plan assets at beginning of period	2.28	1.14
Acquisition Adjustment	-	-
Actual return on plan assets	0.19	0.09
Actual Company contributions	6.45	1.30
Benefits paid	(0.25)	(0.16)
Actuarial Gains/(Losses) on Plan Assets	0.07	(0.09)
Plan assets at the end of year	8.74	2.28
Actuarial Assumptions for Gratuity	31-Mar-17	31-Mar-16
Discount Rate (%) p.a.	6.82%	7.85%
Expected Return on plan assets (%) p.a.	6.82%	7.85%
Attrition rate (%) p.a. :		
For service 5 years and above	2.00%	2.00%
For service below 5 years	26.00%	26.00%
Salary Escalation Rate (%) p.a.	5.00%	5.00%
·	ssured Lives Mortality	Indian Assured
Tradition 1	(2006-08)	Lives Mortality
	Ultimate	(2006-08) Ultimate
	Ottillate	(2000 00) Ottillate

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

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 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.

2) Estimate of amount of contribution in the immediate next year Rs. Nil.. (31st March 2016 Rs 1.67 crores)

3) Experience Adjustment – Gratuity

(Rupees in Crores)

				- 1	
Particulars	FY 16-17	FY 15-16	FY 14-15	FY 13-14	FY 12-13
Present value of defined					
benefit obligation	5.83	2.92	1.48	1.03	0.81
Fair Value of Plan Assets	8.74	2.28	1.14	0.89	0.73
Funded Status (Surplus /(Deficit))	2.91	(0.63)	(0.35)	(0.15)	(0.07)
Experience Adjustment of					
plan assets (Gain / (Loss))	0.07	(0.09)	(0.07)	-	0.04
Experience Adjustment of					
obligation (Gain / (Loss))	(1.81)	0.90)	0.21	0.23	(0.07)

4) Actuarial Assumptions for compensated balances

	31 Mar 2017	31 Mar 2016
Retirement Age	60 Years	60 Years
Discount Rate (%) p.a.	7.74%	7.85%
Attrition rate (%) p.a. :		
For service 5 years and above	2.00%	2.00%
For service below 5 years	2.00%	26.00%
Salary Escalation Rate (%) p.a.	5.00%	5.00%
Mortality	Indian Assured Lives Mortality	Indian Assured
	Ultimate (2006-08)	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.

5) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Net liability of compensated absences recognised in balance sheet

(Rupees in Crores)

Particulars	31 Mar 2017	31 Mar 2016
Non Current	13.90	9.27
Current	2.44	2.37
Total	16.34	11.64

Note 35

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 36

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 Holdings 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:

		, p
Nature of transactions	31 Mar 2017	31 Mar 2016
Interest paid during the year		
Mr. Ramesh Ramanathan	0.21	0.21
Mrs. Radha Ramanathan	0.05	0.05
Mrs. Swathi Ramanathan	0.21	0.21
Interest received during the year		
Jana Holdings Limited	0.01	-
Remuneration for the year (excluding employer's		
contribution to provident fund)		
Mr. R. Srinivasan	2.54	1.76
Mr. V.S. Radhakrishnan	3.04	2.16
Income from rent and amenities		
Jana Urban Foundation	0.01	0.10
Jana Urban Services for Transformation Pvt. Ltd.	0.21	0.10
Receiving of services		
Jana Urban Foundation	0.01	5.51
Cross Domain Solutions Private Limited	2.49	0.92
Janaadhar (India) Private Limited	0.27	0.03
Jana Urban Services for Transformation Pvt. Ltd.	29.35	7.75
Paid towards amenities		
Janaadhar (India) Private Limited	0.27	0.20
Receipt related to reimbursement of expense		
Jana Urban Foundation	0.03	0.29
Janaadhar (India) Private Limited	0.01	0.05
Jana Capital Limited	5.96	0.04
Jana Urban Services for Transformation Pvt. Ltd.	0.26	0.41
Jana Holdings Limited	2.53	0.03
Paid related to loans		
Jana Holdings Limited	0.10	-
Receipt related to loans		
Jana Holdings Limited	0.10	-

Nature and amount of transactions during the year:

(Rupees in Crores)

Receivable/(Payable)	As at 31 Mar 2017	As at 31 Mar 2016
Receivable / (Payable) -		
Janaadhar (India) Private Limited	(0.04)	-
Jana Urban Services for Transformation Pvt. Ltd.	0.03	-
Cross Domain Solutions Private Limited	(0.24)	-
Borrowing from -		
Mr. Ramesh Ramanathan	1.75	1.75
Mrs. Radha Ramanathan	0.40	0.40
Mrs. Swathi Ramanathan	1.75	1.75

- 1. Related Party relationship is as identified by the Company and relied upon by the auditors.
- 2. No amount in respect of related parties have been written off /back during the current year.
- 3. Transactions with the related parties have been reported since the date the parties are related.
- 4. Jana Urban Services for Transformation Pvt. Ltd. includes Rs. 0.01 crore payable towards services received and Rs. 0.04 crore of receivable towards excess payment of TDS

Note 37

As per Section 186 (4) of Companies Act 2013 particulars of loans given, investment made, guarantees given, security provided for the Related Party Transaction are disclosed below

(Rupees in Crores)

Name of entity	Amount	Full Particulars	Purpose
Loans Given and Received			
Jana Holdings Limited	0.10	Loan given in Jun-16	Short term
		and paid back in	fund
		Mar-17 along with	management
		interest at 12% p.a.	
Closing Balance as on 31 March 2017	-		

Note 38

Operating lease

(i) The Company has taken premises, office equipment, furniture, generator, computer equipments etc., on operating lease for a period ranging from 36 to 108 months which are non-cancellable for the period mentioned in the respective agreements

The lease payments recognised in the Statement of Profit and Loss for the year: Rs 80.81 crore (31 Mar 2016: Rs 23.41 crore)

The future minimum lease payments under non-cancellable operating lease:

(Rupees in Crores)

Future minimum lease payments	As at 31 Mar 2017	As at 31 Mar 2016
Not later than one year	12.35	10.82
Later than one year but not later than five years	42.43	45.86
Later than five years	20.39	29.32

There are no rents which are contingent in nature.

(ii) The Company has given portion of premises and the related office equipment & furniture on a cancellable operating lease arrangement. During the year the company has recognized rental income of Rs 0.22 crore (31 March 2016: Rs 0.19 crore). There are no future minimum lease receivables under non-cancellable operating lease.

Note 39

Earnings per share Basic & Diluted

(Rupees in Crores)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Basic		
Net Profit as per Statement of Profit and Loss	170.11	160.29
Less: Preference dividend on CCCPS	-	-
Less: Dividend Distribution Tax on preference dividend	-	-
Net Profit attributable to equity shareholders	170.11	160.29
Weighted average number of equity shares (In Numbers)	272,70,985	215,81,142
Basic earning per share (in Rupees)	62.38	74.27
Diluted		
Net Profit as per Statement of Profit and Loss	170.11	160.29
Weighted Average Number of Equity Shares		
outstanding Basic (Face Value of Rs 10) (In Numbers)	272,70,985	215,81,142
Weighted average no. of potential equity shares upon		
conversion of CCCPS (In Numbers)	-	32,291
Total weighted average no. of potential equity		
shares (In Numbers)	272,70,985	216,13,433
Diluted earning per share (in Rupees)	62.38	74.16

As per AS-20, since the bonus issue is an issue without consideration, the issue is treated as if it had occured prior to the beginning of the year 2015-16.

In accordance with Accounting Standard 22 "Accounting for Taxes on Income", the Company has recognised Rs. 64.49 crore (31 March 2016: Rs.25.54 crore) as deferred tax credit as detailed below.

(Rupees in Crores)

Particulars	Deferred Tax Assets / (Liability) as on 1 April 2016	Current year credit/(charge)	Net Deferred Tax Assets / (Liability) as on 31 March 2017
Depreciation - difference between			
accounting and tax records	(5.49)	(4.14)	(9.63)
Provision for non performing and o	ther assets 32.11	10.13	42.24
Contingency provision	-	51.91	51.91
Provision for Employee Benefits	4.27	0.38	4.65
Others	5.56	6.21	11.77
Net Deferred Tax Asset	36.45	64.49	100.94

Note 41

Corporate Social Responsibility

During the year, the Company incurred an aggregate amount of Rs.2.46 crore (Previous Year - Rs. 1.23 crore) towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder. The details of the CSR spend are given below -

- a) Gross amount to be spent by the company during the year: 2.80 crore (31 March 2016: Rs.1.37 crore)
- b) Amount spent during the year on:

FY	Particulars	Amount paid (by cheque)	Yet to be paid	Total
2016-17	(i) Construction / acquisition of any asset (ii) on purposes other than (i) abo	- ove 2.46	- -	- 2.46
2015-16	(i) Construction / acquisitionof any asset(ii) on purposes other than (i) abor	- vve 1.23	- -	- 1.23

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

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Total number of assets de-recognised during the year	6,29,806	16,52,507 (Rupees in Crores)
Consideration received during the year	1,344.26	2,531.94
Book value of loan assets securitized during the year	1,403.70	2,733.90
Cash collaterals provided	50.70	102.02
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 43

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

Sl	Particulars	As at 31 Mar 2017	As at 31 Mar 2016	
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	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	120.92	107.96	
	* Others	194.48	138.72	
4	Amount of exposures to securitized transactions other than	MDD		

- 4 Amount of exposures to securitised transactions other than MRR
 - a) Off-balance sheet exposures
 - i) Exposure to own securitisations
 - * First Loss

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
* 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 44

Ratio of Gold Loans to Total Assets Nil (31 March 2016: Nil)

Note 45

Asset classification and provisioning

(Rupees in Crores)

	Loans (31 March	2017)	Loans (31 March 2016)	
Particulars	Loans for Financial Assistance	Provision*	Loans for Financial Assistance	Provision*
Standard	11,697.95	104.72	9,054.85	86.52
Sub-Standard	58.61	8.11	16.54	4.79
Doubtful	23.16	9.23	1.47	1.47
Others(Refer Note 46)		150.00	-	
Total portfolio balance and				
related provisions	11,779.72	272.06	9,072.86	92.78

^{*} Excludes bad debts written off Rs. 122.11 crore (31 March 2016: Rs. 39.95 crore)

Asset classification and provisioning

	Loans (31 March	2017)	Loans (31 March 2016)	
Particulars	Loans for Financial Assistance	Provision*	Loans for Financial Assistance	Provision*
Current (Refer Note 19 & 10)	7,216.52	231.49	4,782.81	51.87
Non-current ((Refer Note 14 & 6) 4,563.20	40.57	4,290.05	40.91
Total portfolio balance and				
related provisions	11,779.72	272.06	9,072.86	92.78

Movement of Provisions for FY 16-17

(Rupees in Crores)

Particulars	As at 1 April 2016	Additional Provision	Contingency Provision	Utilisation/ Reversal	As at 31 Mar 2017
Movement of Provisions					
for FY 16-17	92.78	151.39	150*	122.11	272.06

^{*}Post-demonetization, the quality of the portfolio had started deteriorating due to inherent issues in certain regions. In view of the uncertainties relating to these regions and the time that it might take to resolve the same , the Company has made a contingency provision in fiscal 2017 amounting to Rs.150 Cr towards these exposures. This amount is considered as exceptional charge and reflected in the Statement of Profit & Loss.

Movement of Provisions for FY 15-16

(Rupees in Crores)

Particulars	As at 1 April 2015	Additional Provision	Contingency Provision	Utilisation/ Reversal	As at 31 Mar 2016
Movement of Provisions					
for FY 15-16	37.75	94.98	-	39.95	92.78

Note 47

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

A) Capital adequacy

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Tier I Capital	2,091.51	1,052.46
Tier II Capital	836.06	574.74
Total Capital	2,927.57	1,627.20
Total Risk Weighted Assets	12,248.13	9,377.82
Capital Ratios		
Tier I capital as % to total risk weighted assets	17.08%	11.22%
Tier II capital as % to total risk weighted assets	6.83%	6.13%
Total Capital as % to total risk weighted assets	23.90%	17.35%

B) Exposure to Real Estate

(Rupees in Crores)

Category	As at 31 Mar 2017	As at 31 Mar 2016
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	4.97	5.47
(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 2017

	Liabilitie	s*	Assets	
Particulars	Borrowing from Banks / Institutions	Market Borrowings	Advances	Investments
1 day up to 1 month	279.38	5.93	655.18	-
	(346.69)	-	(336.03)	()
Over 1 month up to 2 months	239.74	374.38	691.23	223.76
	(216.41)	(9.38)	(398.59)	()
Over 2 months up to 3 months	505.13	9.36	720.19	123.78
	(365.87)	(3.57)	(403.04)	()
Over 3 months up to 6 months	996.12	297.44	2,120.10	-
	(958.09)	(237.95)	(1,202.07)	()
Over 6 months up to 1 year	1,693.45	757.74	4,037.52	-
	(1,813.62	(141.89)	(2,442.28)	()
Over 1 year up to 3 years	2,714.73	2,133.06	3,089.30	-
	(2,837.05)	(1,762.75)	(4,226.36)	()
Over 3 years up to 5 years	95.33	867.41	91.60	-
	(142.52)	(190.00)	(26.61)	()
Over 5 years	138.00	560.00	103.71	0.10

	Liabilitie	es*	Asse	ts
Particulars	Borrowing from Banks / Institutions	Market Borrowings	Advances	Investments
	(148.70)	(476.00)	(36.56)	()
Total	6,661.88	5,005.32	11,508.83	347.64
	(6,828.95)	(2,821.54)	(9,071.54)	()

Figures in brackets indicate 31 March 2016 numbers

Note 48

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 2017 is 9.21% (31 March 2016: 9.10%). 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 49

Disclosure of frauds reported during the year ended 31 March 2017 vide DNBS. PD. CC No. 256/03.10.142/2011-12 dated 2 March 2012.

	Less Tha	n Rs. 1 Lakh	Rs. 1 to	Rs. 5 Lakh	> Rs.	5 Lakhs
Particulars	No. of Accounts	Value (Rupees in Crores)	No. of Accounts	Value (Rupees in Crores)	No. of Accounts	Value (Rupees in Crores)
A) Person Involved						
Staff	1,040	0.17	1,520	0.41	937	1.06
Customers	12	-	-	-	-	-
Staff and Customers	-	-	-	-	-	-
Outsider	1,458	0.23	6,748	1.09	153	0.32
Total	2,510	0.40	8,268	1.50	1,090	1.38
B) Type of Fraud						
Misappropriation and						
Criminal Breach of Trust	922	0.15	1,625	0.40	643	0.35
Fraudulent Encashment/						
Manipulation of books of a	ccounts -	-	-	-	-	-
Unauthorised Credit/						
Facility extended	-	-	-	-	-	-

^{*} Borrowing from banks/ institutions includes borrowings from banks, financial institutions and OD from banks; remaining are classified as market borrowings.

	Less Tha	an Rs. 1 Lakh	Rs. 1 to	Rs. 5 Lakh	> Rs.	5 Lakhs
Particulars	No. of Accounts		No. of Accounts	Value (Rupees in Crores)		Value (Rupees in Crores)
Negligence and cash shortage	es -	-	-	-	-	-
Cheating and Forgery	1	-	9	0.03	447	1.03
Others	1,587	0.25	6,634	1.07	-	-
Total	2,510	0.40	8,268	1.50	1,090	1.38

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 2016 vide DNBS. PD. CC No. 256/03.10.142/2011-12 dated 2 March 2012.

(Rupees in Crores)

	Less Tha	n Rs. 1 Lakh	Rs. 1 to	Rs. 5 Lakh	> Rs.	5 Lakhs
Particulars	No. of Accounts	Value (Rupees in Crores)	No. of Accounts	Value (Rupees in Crores)	No. of Accounts	Value (Rupees in Crores)
A) Person Involved						
Staff	527	0.11	2,022	0.36	-	-
Customers	-	-	-	-	34	0.06
Staff and Customers	-	-	-	-	-	-
Outsider	379	0.06	3,092	0.48	-	_
Total	906	0.17	5,114	0.84	34	0.06
B) Type of Fraud						
Misappropriation and						
Criminal Breach of Trust	420	0.09	1,677	0.31	-	-
Fraudulent Encashment/	-	-	-	-	-	-
Manipulation of books						
of accounts	-	-	-			
Unauthorised Credit						
Facility extended	-	-	-	-	-	-
Negligence and cash shortage	ges 9	-	184	0.03	-	-
Cheating and Forgery	42	0.02	-	-	34	0.06
Others	435	0.07	3,253	0.51	-	
Total	906	0.18	5,114	0.85	34	0.06

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

JANALAKSHMI FINANCIAL SERVICES LIMITED

Notes forming part of 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 50

Customer Complaints

(Numbers)

	31 Mar 2017	31 Mar 2016
No. of complaints pending at the beginning of the year	123	0
No. of complaints received during the year	28,969	822
No. of complaints redressed during the year	16,079	699
No. of complaints pending at the end of the year	13,013	123

Note 51

Concentration of Deposits, Advances, Exposures and NPAs

1. Concentration of Deposits (for deposit taking NBFCs)	31 Mar 2017	31 Mar 2016
Total Deposits of twenty largest depositors	Not applicable	Not applicable
Percentage of Deposits of twenty largest depositors to		
Total Deposits of the NBFC		

2. Concentration of Advances	31 Mar 2017	31 Mar 2016
Total Advances to twenty largest borrowers (Rupees in Crores)	114.10	9.02
Percentage of Advances to twenty largest borrowers to		
Total Advances of the NBFC	0.97%	0.10%

3. Concentration of NPAs	31 Mar 2017	31 Mar 2016
Total Exposure to top four NPA accounts	1.73	0.90

4. Percentage of NPAs to Total Advances in that sector

(Rupees in Crores)

Sector-wise NPAs	31 Mar 2017	31 Mar 2016
Sector		
1. MSME	2.99%	2.65%
2. Micro finance loans	0.57%	0.06%
3. Other personal loans	0.78%	0.42%

5. Movement of NPAs*

Particulars	31 Mar 2017	31 Mar 2016
(i) Net NPAs to Net Advances (%)	0.55%	0.18%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	22.60	26.64
(b) Additions during the year	181.28	35.91
(c) Reductions during the year	(122.11)	(39.95)
(d) Closing balance	81.77	22.60
(iii) Movement of net NPAs		
(a) Opening balance	16.34	17.68
(b) Additions during the year	170.20	38.61
(c) Reductions during the year	(122.11)	(39.95)
(d) Closing balance	64.43	16.34
(iv) Movement of provisions for NPAs (exluding provision on star	ndard assets)	
(a) Opening balance	6.26	8.96
(b) Provisions made during the year	133.19	37.25
(c) Write off / write back of excess provisions	(122.11)	(39.95)
(d) Closing balance	17.34	6.26

^{*}The above NPA movements excludes contingency provisions (Refer Note 45)

Note 52

Proviions and Contingencies

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

Particulars	31 Mar 2017	31 Mar 2016
Provision for non performing and other assets	29.28	55.03
Contingency Provision	150.00	-
Provision made towards Income tax	85.12	77.92
Provision for compensated absences	17.43	10.18
Provision for Gratuity	2.92	1.59

Investment details

(Rupees in Crores)

(1) Value of Investments (i) Gross value of investments (a) In India 347.64 0.10 (b) Outside India (ii) Provision for Depreciation (a) In India (b) Outside India (iii) Net value of Investments (a) In India 347.64 0.10 (b) Outside India
(a) In India 347.64 0.10 (b) Outside India - - (ii) Provision for Depreciation - - (a) In India - - (b) Outside India - - (iii) Net value of Investments 347.64 0.10 (b) Outside India 347.64 0.10 (b) Outside India - -
(b) Outside India
(ii) Provision for Depreciation (a) In India - (b) Outside India - (iii) Net value of Investments (a) In India 347.64 0.10 (b) Outside India
(a) In India
(b) Outside India
(iii) Net value of Investments (a) In India 347.64 0.10 (b) Outside India
(a) In India 347.64 0.10 (b) Outside India
(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 54

Particulars

(Rupees in Crores)
31 Mar 2016

Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

Nil Nil

31 Mar 2017

Note 55

(Rupees in Crores)

Particulars	31 Mar 2017	31 Mar 2016
Details of non-performing financial assets		
purchased/sold	Nil	Nil

Note 56

		(Rapees III eleies)
Particulars	31 Mar 2017	31 Mar 2016
Registration/ licence/ authorisation obtained from		
other financial sector regulators	Nil	Nil

		(Rupees in Crores)
Particulars	31 Mar 2017	31 Mar 2016
Penalties, if any, levied by any regulator	0.50	Nil

Note 58

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

Particulars	31 Mar 2017	31 Mar 2016
A. MFI Grading	CRISIL mfR 1	CRISIL mfR 1
B. Long Term Bank Facilities/Non conv	ertible	
Debentures	CRISIL A (Stable Outlook)*	CRISIL A-
	ICRA A+ (Negative Outlook)	ICRA A
C. Short Term Bank Facilities	CRISIL A1+ (for CP)	CRISIL A1
	CRISIL A (Stable) (for bank loan)**	
	ICRA A1+ (for CP)	
D. Securitization Transactions		
1. Orchid JFSIBL Feb 2015	Transaction closed	CRISIL AAA
2. Urashi SBL IFMR Capital 2015	Transaction closed	ICRA A & ICRA BBB-
3. JFS Microfinance August 2015	Transaction closed	ICRA A
4. JFS Microfinance September 2015	Transaction closed	CRISIL AA-
5. JFS Microfinance Trust 2 September 2	2015 Transaction closed	CRISIL AA-
6. Libertas IFMR Capital 2015	CRISIL A (SO) & CRISIL BBB (SO)	CRISIL BBB & CRISIL BB
7. Aergia IFMR Capital 2015	Transaction closed	CRISIL A+ & CRISIL BBB+
8. Morpheus IFMR Capital 2015	CRISIL AA- (SO) & CRISIL A(SO)	CRISIL A & CRISIL BBB+
9. Zion IFMR Capital 2015	CRISIL A-(SO) & CRISIL BBB-(SO)	CRISIL A- & CRISIL BBB-
10. Emerald Trust February 2016	CRISIL A+(SO)	CRISIL A+
11. Sentinel IFMR Capital March 2016	CRISIL BBB+(SO) & CRISIL BBB(SO)	CRISIL A- & CRISIL BBB+
12. Architect IFMR Capital March 2016	CRISIL A (SO)& CRISIL BBB+(SO)	CRISIL A & CRISIL BBB+
13. Cypher IFMR Capital 2016	CRISIL A(SO) & CRISIL A-(SO)	CRISIL A & CRISIL A-
14. Icharus IFMR Capital 2016	CRISIL BBB (SO) & CRISIL BB(SO)	CRISIL BBB+ & CRISIL BB+
15. Mjolnir IFMR Capital 2016	CRISIL A- (SO) & CRISIL BBB- (SO)	CRISIL A- & CRISIL BBB

Particulars	31 Mar 2017	31 Mar 2016
16. Oracle IFMR Capital 2016	CRISIL BBB+(SO) & CRISIL BBB-(SO)	CRISIL A- & CRISIL BBB
17. Niobe IFMR Capital 2016	CRISIL A (SO)& CRISIL A-(SO)	CRISIL A+ & CRISIL A
18. Moses IFMR Capital 2016	ICRA BBB (SO) & ICRA BB (SO)	NA
19. Syme IFMR Capital 2016	ICRA BBB - (SO) & ICRA BB (SO)	NA
20. Napolean IFMR Capital 2016	ICRA A-(SO) & ICRA BBB (SO)	NA
21. Frey IFMR Capital 2016	CRISIL A-(SO) & CRISIL BBB(SO)	NA
22. Goldstein IFMR Capital 2016	ICRA BBB (SO) & ICRA BB (SO)	NA
23. Oceania IFMR Capital 2016 ICRA	BBB+(SO), ICRA BBB+(SO) & ICRA BB(SO)	NA
24. Smith IFMR Capital 2016	ICRA BBB (SO) & ICRA BB (SO)	NA
25. Dante IFMR Capital 2016	ICRA BBB (SO)+ & ICRA BBB-(SO)	NA
26. Raphel IFMR Capital 2016	ICRA BBB+(SO) & ICRA BBB- (SO)	NA
27. Michelangelo IFMR Capitai 2016	ICRA A-(SO) & ICRA BBB (SO)	NA
28. Leonardo IFMR Capital 2016	ICRA A-(SO) & ICRA BBB (SO)	NA
29. Donatello IFMR Capital 2016***	IND A(SO) & IND BBB (SO)	NA

^{*} As per latest rating from CRISIL obtained on 11th April 2017 for Long term Borrowings, the rating outlook has been revised to Negative.

Note 59

Specified Bank notes disclosure

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	20.05	5.13	25.18
Closing cash in hand as on 30-12-2016	-	45.86	45.86

^{*&#}x27;Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

^{**} As per latest rating from CRISIL obtained on 6 April 2017, the rating has been revised to CRISIL A1+ (Withdrawal)

^{***}As per latest rating on 13th April 2017, the rating has been revised to IND A(SO) & IND BB+(SO).

^{*}The information presented is as per Books of Accounts. The Company has put in place controls and procedures during the period 9th November 2016 to 30th December 2016 to ensure adherence to regulatory guidelines on receipt and payment in Specified Bank Notes.

The Board of Directors, in their meeting held on 30 May, 2017 have proposed a final dividend at 10% (i.e., Re 1.00 per equity share) amounting to Rs 3.31 crore, inclusive of corporate dividend tax. The proposal is subject to the approval of shareholders at the Annual General Meeting.

Note 61

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

Signatures to Notes 1 to 61

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: Bengaluru Date: May 30, 2017

JANALAKSHMI FINANCIAL SERVICES LIMITED

Disclosure as required in terms of Paragraph13 of Non Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction 2007

	Liabilities Side	Amount Outstanding As At 31- Mar-17 (Rs.)	Amount Overdue As At 31-Mar-17 (Rs.)	Amount Outstanding As At 31-Mar-16 (Rs.)	Amount Overdue As At 31-Mar-16 (Rs.)
1)	Loans and Advances Availed by the company inclusive of interest accrued thereon but not paid				
а	Debentures: Secured Unsecured (other than falling within the meaning of public deposits)	2,309.00 2,298.75	-	2,153.29 598.23	-
b	Deferred Credits				
С	Term Loans	6,840.01	-	6,695.78	-
d	Inter Corporate Loans and Borrowings	-	-	-	-
е	Commercial Papers	190.00	-	86.00	-
f	other loans -Working Capital loans	26.00	-	113.29	-
	Loan from directors and members Assets Side	3.90	-	3.90	-
2)	Break up of Loans and advances including bills receivable (other than those included in 4 below)				
а	Secured	-	-	-	-
i	Loans to Customers	4.97	-	5.47	-
b	Unsecured	-	-	-	-
i	Loans to Customers	11,774.75	81.76	9,066.08	18.01
ii	Rental and other deposits	69.28	-	41.32	-
iii	Advance Recoverable in Cash or				
	kind or for value to be received	15.40	-	56.21	-
iv	Interest Accrued on term deposits and loans	23.63	-	40.43	-
٧	Advance Tax including TDS	22.09	-	20.91	-
vi	Advance to Group company	-	-	-	-

3	Break up of leased Assets and Stock on hire and hypothecation loans counting towards EL / HP activities	Amount Outstanding As At 31- Mar-17 (Rs.)	Amount Overdue As At 31- Mar-17 (Rs.)	Amount Outstanding As At 31-Mar-16 (Rs.)	Amount Overdue As At 31-Mar-16 (Rs.)
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 activ	ities			
	(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	347.54	-	-	-
	2. Unquoted				
	(i) Shares (a) Equity	-	-	-	-
	(b) Preference	-	-	-	-
	(ii) Debentures & Bonds	-	-	-	-
	(iii) Units of Mutual Funds	-	-	-	-
	(iv) Government Securities	-	-	-	-
	(v) Others	-	-	-	-
	Long Term Investments				
	1. Quoted				
	(i) Shares (a) Equity				

Liabilities Side	Amount Outstanding As At 31- Mar-17 (Rs.)	Amount Overdue As At 31- Mar-17 (Rs.)	Amount Outstanding As At 31-Mar-16 (Rs.)	Amount Overdue As At 31-Mar-16 (Rs.)
(b) Preference	-	-	-	-
(ii) Debentures & Bonds	-	-	-	-
(iii) Units of Mutual Funds	-	-	-	-
(iv) Government Securities	-	-	-	-
(v) Others	-	-	-	-
2. Unquoted				
(i) Shares (a) Equity	0.10	-	0.10	-
(b) Preference	-	-	-	-
(ii) Debentures & Bonds	-	-	-	-
(iii) Units of Mutual Funds	-	-	-	-
(iv) Government Securities	-	-	-	-
(v) Others	-	-	-	-

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

Category		Amount Net of Provisions		
	Secured	Unsecured	Total	
31-Mar-17				
1. Related Parties				
a. Subsidiaries	-	0.05	0.05	
b. Companies in the same group	-	-	-	
c. Other related parties	-	-	-	
2. Other than related parties	4.97	11,905.10	11,910.07	
Total	4.97	11,905.15	11,910.12	
31-Mar-16				
1. Related Parties				
a. Subsidiaries	-	-	-	
b. Companies in the same group	-	-	-	
c. Other related parties	-	-	-	
2. Other than related parties	5.47	9,224.95	9,230.42	
Total	5.47	9,224.95	9,230.42	

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

Category	31-Mar-17		31-Mar-16	
outego, j	Market value /break up or fair value or NAV Rs.	Book value (Net of Provisions) Rs.	/break up or	Book value (Net of Provisions) Rs.
1. Related Parties				
a. Subsidiaries	-	-	-	-
b. Companies in the same group	-	-	-	-
c. Other related parties	-	-	-	-
2. Other than related parties	347.64	347.64	0.10	0.10
Total	347.64	347.64	0.10	0.10
7. Other Information	A	Amount (Rs.)	Α	mount (Rs.)
1. Gross Non Performing Asset	-	-	-	-
a. Related Parties	-	-	-	-
b. Other than related parties	81.76	-	18.01	-
2. Net Non Performing Assets	-	-	-	-
a. Related Parties	-	-	-	-
b. Other than related parties	64.42	-	11.75	-
3. Assets acquired in satisfaction of debt	-	-	-	-

For and on behalf of the Board of Directors

R. Srinivasan

Executive Vice Chairman

V.S. Radhakrishnan

Managing Director & CEO

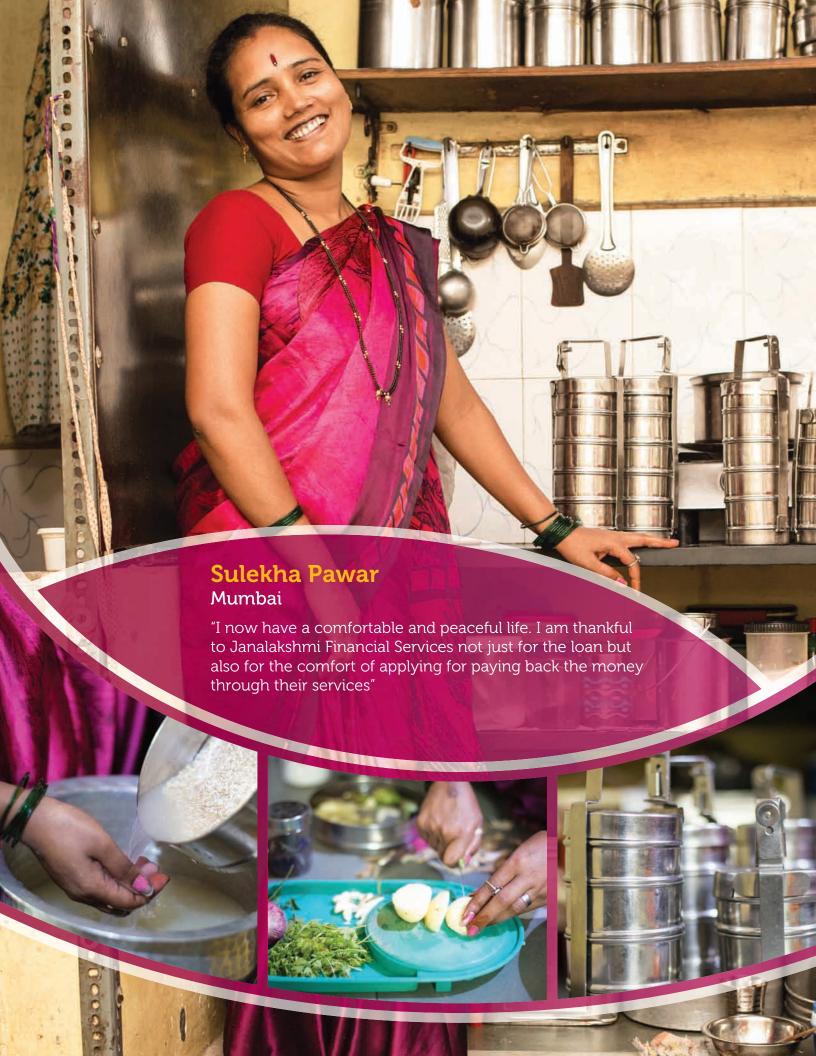
Richa Saxena

Company Secretary

Jayasheel Bhansali

Chief Financial Officer

Place: Bengaluru Date: May 30, 2017



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