

SARVODAYA NANO FINANCE LTD

Item No.21

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have great pleasure in presenting this Directors Report along with the Audited Accounts for the year ended 31st March 2018.

PERFORMANCE REVIEW

As on March 31, 2018, the total paid up share capital of the Company was `2525.86 lakhs, which was held by 103 Sarvodaya Mutual Benefit Trusts (SMBTs) and Community based organisations. The Company has started lending to the members of SHGs and individuals directly from 1st March 2012 at its 92 branches. During the year, the branches have extended loans of `17,194.03 Lakhs. The loans granted to SMBTs till 2011-12 have been repaid or written off.

SUMMARY OF OPERATING RESULTS

(` in Lakhs)

PARTICULARS	YEAR ENDED	
	31.03.2018	31.03.2017
Income from operations for the year	932.41	910.77
Other Income	25.62	11.07
Total Income	958.03	921.84
Profit before Financial Expenses, Preliminary expenses, Depreciation and Taxation	496.02	485.93
Less: Financial expenses	250.01	255.90
Operating profit before Preliminary expenses, Depreciation & Taxation	246.01	230.03
Less: Depreciation, Preliminary expenses written off	4.63	3.52
Profit before Taxation	241.38	226.51
Less: Current tax	65.01	77.99
Deferred tax	(0.71)	(0.50)
Profit after Taxation	177.09	149.02
Add: Balance brought forward	-	-
Profit available for appropriation	177.09	149.02

DIVIDENDS

No dividend is being recommended for the year ended 31st March 2018.

RESERVES

The total reserves and surplus has increased to `804.76 lakhs as on 31-03-2018 from `624.61 lakhs as on 31-03-2017.

DESCRIPTION OF THE COMPANY'S WORKING

Earlier the Company was extending loans to Sarvodaya Mutual Benefit Trusts (SMBTs) for onward lending to women SHGs. After the guidelines of RBI in December 2011, it was decided that the Company would directly lend to members of SHGs and other individuals through its branches.

CHANGE IN NATURE OF BUSINESS IF ANY

NIL

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

NIL

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN AND COMPANY'S OPERATIONS IN FUTURE

None

INVESTMENT

NIL

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have subsidiary, joint venture or associate company

PUBLIC DEPOSITS

As per the Non-Banking Financial Companies (RBI Directions, 1998), the Directors hereby state that the Company did not accept any public deposits during the year and did not have any public deposits at the end of the year.

STATUTORY AUDITORS

M/s. Madhu Balan & Associates, Chartered Accountants have been appointed as Auditors in the last Annual General Meeting for a period of three years. Their continuation is being proposed.

AUDITORS' REPORT

The Auditors' report is annexed.

SHARE CAPITAL

There has been issue of 1,40,800 Equity Shares of `10 each during the year equivalent to `14,08,000.

EXTRACT OF THE ANNUAL RETURN

Attached

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Since the Company does not carry out any manufacturing activity, but is engaged in activities of promotion of rural livelihoods, the particulars regarding conservation of energy, technology absorption and other particulars as required by the Companies (Accounts) Rules, 2014 are not applicable

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions of the Companies Act 2013 are not applicable. However, the employees of the Company engage in several social activities like health camp, eye camp, awareness programmes, supply of drinking water and conduct of community marriages in association with ASSEFA and SMBTs.

BOARD OF DIRECTORS

The Board of the Company provides leadership and strategic guidance, objectively reviews management decisions and exercises control over the Company

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Vijay Mahajan has resigned from the Board with effect from 07-06-2018 due to his personal and professional commitments. As a Founder Director, his contribution to the growth of the Company has been immense; The Board would like to place on record its appreciation of his valuable service and strategic guidance since inception.

Ms. B. Raghini has been appointed as Managing Director with effect from 28-06-2017.

Mr. L. Sridhar has been appointed as Director with effect from 24-06-2017.

Mr. R. Selvanathan has been appointed as Chief Financial Officer with effect from 07-07-2014.

Declarations have been received from Directors of the Company, regarding their interest and qualifications and no Director is disqualified from being appointed as Director of the Company.

DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE- APPOINTMENT, IF ANY

Ms. Mona Dikshit has been appointed as Independent Directors with effect from 07-07-2014. Mr. L. Sridhar has being appointed as Independent Director with effect from 24-06-2017. A declaration by them that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 have been obtained.

BOARD STRUCTURE:

The Board comprises of non-executive Directors with considerable experience in their respective fields. The Company did not have any pecuniary relationships or material transactions with the Directors during the year.

S. No.	Name of Director	Executive / Non- Executive
1.	B Raghini	Executive
2.	S. Loganathan	Non - Executive
3.	E. Sridhar	Non-Executive, Independent
4.	Mona Dikshit	Non-Executive, Independent
5.	Vijay Mahajan	Non-Executive

NUMBER OF BOARD MEETINGS

The Meetings of the Board of Directors are scheduled with proper notice and agenda, with explanatory notes being distributed in advance to the Board Members. The Board Meetings were held four times in the year 2017-18.

COMMITTEES:

SHARE ALLOTMENT COMMITTEE

The Company has constituted Share Allotment Committee comprising of two members. The Committee considers the various applications and makes allotment on pro rata basis periodically which is confirmed by the Directors at the immediate subsequent Board meeting.

AUDIT COMMITTEE

The Company has constituted an Audit Committee. The Audit Committee considers the quarterly and annual financial statements and places its report to the Board of Directors periodically.

EXECUTIVE COMMITTEE

The Company has constituted an Executive Committee to exercise powers of the Board of the Directors, between regularly, scheduled Board meetings or when it was not practical or feasible for the Board to meet. The Committee would meet on requirement and report the action taken to the Board.

RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee to assist the Board in fulfilling its responsibilities relating to risk management and compliance practices of the Company. The Committee is responsible for understanding of areas where the Company is or may be, exposed to risk and compliance issues and to review the adequacy and effectiveness of the Company's policies and procedures which relate to risk management and compliance, make recommendations to the Board on the appropriate risk management reporting requirements and advise to the Board on the Company level performance indicators and targets for risk management and compliance activities.

NOMINATION & REMUNERATION COMMITTEE

The Company has constituted a Nomination and Remuneration Committee to assist the Board in fulfilling its responsibilities relating to adoption of proper and fair HR practices.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Nil

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Mr. Loganathan, Director of the Company is also the Executive Director of Association for Sarva Seva Farms (ASSEFA). Mr. L. Kumar, the son of Mr. Loganathan is the Managing Trustee of Sarva Seva Gramodhyog Samithi (SSGS) and Whole Time Director of SJSK. The Company has several transactions with the above parties. SJSK has invested in the equity of the Company and also has extended a line of credit of Rupees Twenty five crores. The Company has several employees of ASSEFA on deputation in its ranks and the Provident Fund and Gratuity deductions are remitted to ASSEFA. Besides, the Company has taken a few premises belonging to ASSEFA on rent for its offices. The Company has also taken a premise on rent from Mr. L. Kumar. The details of approvals obtained in the last AGM and actual transactions with these entities and Mr. L. Kumar during 2017-18 are furnished below.

	<i>(Amount in `)</i>	
	Approvals obtained in AGM - 2017-18	Actuals for 2017-18
SJSK		
- Investment receipt	15,000,000	-
- Loan receipt	100,000,000	123,500,000
- Loan repayment	50,000,000	99,000,000
- Interest and other charges payable/to be provided	40,000,000	23,808,748
- Other receipts for services	5,000,000	-
ASSEFA		
- Rent payment	900,000	480,000
- PF contribution payment	1,250,000	859,029
- Other payments for services	500,000	268,482
- Other receipts for services	2,500,000	2,727,105
SSGS		
- PF contribution receipt	50,000	-
Mr. L. Kumar		
- Rent paid	57,600	57,600
- Telephone Bill Paid	7,200	3,400

RISK MANAGEMENT POLICY

Risk is an unavoidable part of any business. Consequently, risk management is now an integral and essential part of business planning. Risk management is the logical and systematic method of identifying, analyzing, treating and monitoring the risks involved in any activity or process. The objective of risk management is to identify risks and minimize their effects through improved awareness of likelihood of occurrence and potential impact and implementation of appropriate mitigation plans. Risk management should

- be an integral part of organizational processes.
- be systematic and structured.
- create value.
- be dynamic and capable of improvement.

The Company is now lending to SHG members and individuals. While entertaining proposals from them, their credit history is obtained from Credit Information Bureaus and are evaluated in addition to the repayment capacity.

FRAUD REPORTING:

The Company has detected fraud in three branch locations involving an amount of `12,22,555 in which `96,969 had been recovered already and steps have been taken for recovering the balance amount.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

There have been no complaints received by the Company as on date.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of the Companies Act, 2013 read with the Companies (Particulars of Employees) Rules, 1975 as amended, we have to report that during the year there were no employees in this category.

MANAGERIAL REMUNERATION

Salaries and allowances paid during the period to the Managing Director amounted to `7,43,163 (Last year - Nil). The details are as follows:

<i>(Amount in `)</i>		
Particulars	Current year (2017-18)	Last year (2016-17)
Basic Pay	567,840	-
Dearness Allowance	101,010	-
Conveyance	16,380	-
Medical Reimbursement	11,250	-
Fuel Expenses	19,800	-
Medical Insurance and Personal Accident Insurance	7,174	-
Telephone Expenses	10,709	-
Total	734,163	-

DIRECTORS RESPONSIBILITY STATEMENT

The Directors would like to inform the members that the audited accounts containing the financial statement for the year ended 31st March, 2018 are in full conformity with the requirements of the Companies Act, 2013 and they believe that the financial statements reflect fairly the form and substance of the transactions carried out during the year. The Accounting operations are in

conformity with the applicable provisions of the Companies Act, 2013, the Reserve Bank of India Act, Non-Banking Companies Directions and Accounting Standards issued by the Institute of Chartered Accountants of India. These policies are detailed under the "Accounting Policies" in the Notes to Accounts.

Further, the Directors declare that:

The Annual Accounts have been prepared in consonance with the applicable accounting standards.

The Accounting policies as applied by Directors are consistent, and prudent so as to give a true and fair view of the Accounts of the Company.

Proper and sufficient care has been taken by them for maintenance of proper accounting Records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for detecting frauds and irregularities.

Accounts are prepared on a going concern concept basis.

ACKNOWLEDGEMENT

The Company is grateful for the co-operation and assistance extended by the Banks and financial institutions and also wishes to place on record its appreciation for the employees for their continuous and untiring efforts, hard work and dedication.

For and on Behalf of the Board



Place: Chennai
Date: 13.07.2018

B. Raghini
Managing Director of the Board



MADHU BALAN & ASSOCIATES.,

Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARVODAYA NANO FINANCE LIMITED

1. Report on the financial statements

We have audited the accompanying financial statements of **SARVODAYA NANO FINANCE LIMITED** (the 'Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and loss, the Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 judgements 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 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. 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 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion 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, 2018 and its profit and its cash flows for the year ended on that date.





MADHU BALAN & ASSOCIATES.,

Chartered Accountants


5. Report on other legal and regulatory requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II. As required by section 143(3) of the Act, we report that:
 - a) Except for the matter disclosed in paragraph 5(ii)(g)(d) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of accounts as required by the law have been kept by the Company, so far as it appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow statement dealt with by this report are in agreement with the books of accounts;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013;
 - f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" issued under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")
 - g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company does not have any pending litigations which would impact its financial position.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company.

Date: Chennai
Place: 13-07-2018.



For Madhu Balan & Associates,
Chartered Accountants


(P. Arumugam)
Partner

Firm Reg. No.: 011106S | M. No.: 219184



MADHU BALAN & ASSOCIATES.,

Chartered Accountants

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF SARVODAYA NANO FINANCE LIMITED [THE 'COMPANY']

[Referred to in Paragraph 5 (i) of our report of even date]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- i. In respect of its fixed assets:
 - a) The Company has maintained proper records to show full particulars, including quantitative details and situation of fixed assets.
 - b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its business.
 - c) The Company does not have any immovable properties. Therefore, the paragraph 3(i)(c) of the order is not applicable to the Company.
- ii. The Company is a Non-Banking Financial Company ('NBFC') engaged in the business of providing loans and does not have any inventory. Therefore, the paragraph 3(ii) of the order is not applicable to the Company.
- iii. According to the information and explanation given to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the paragraphs 3 (iii) (a), 3 (iii) (b) and 3(iii) (c) of the Order are not applicable to the company.
- iv. The Company has not made any loans or investments and so the provisions of Sec 185 and Sec 186 were not applicable.
- v. Based on our audit and representation from management, we state that during this financial year, the Company did not accept any deposits and hence the company did not make any contravention of the directives issued by the Reserve Bank of India and the provisions of Companies Act, 2013 and the rules framed there under.
- vi. To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Act, in respect of the services rendered by the company. Accordingly, the provisions of clause 3 (vi) of the Order are not applicable.
- vii. In respect of its Statutory dues: According to the information and explanations given to us and on the basis of our examination of the records of the Company
 - a) amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, GST, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. No undisputed statutory amount payable in respect of Provident Fund, Investor education and protection fund, income tax, sales tax, wealth tax, service tax, excise duty, customs duty, cess and other material statutory dues were in arrears as at March 31, 2018, for a period of more than six months from the date they become payable.
 - b) There are no material dues of income tax or sales tax or duty of customs or duty of excise or service tax or GST have not been deposited with the appropriate authorities on account of any dispute.





MADHU BALAN & ASSOCIATES.,

Chartered Accountants

- vii. The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer and term loans were applied for the purposes for which those are raised.
- x. We have been informed that during the year covered by our audit, following cases of frauds/Cash embezzlements were noticed or reported by the company:
Cash embezzlements by the employees of the Company aggregating to Rs.3,59,000/- were reported during the year to the extent detected by the Company.
- xi. The managerial remuneration has been paid /provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to explanation given to us, the company is not a nidhi company. Accordingly para 3(Xii) not applicable as required by applicable accounting standards.
- xiii. The transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and disclosed in the financial statements.
- xiv. According to information and explanations given to us and based on examination of records there is no preferential allotment or private placement of shares or fully or partially or convertible debentures during the year. During the year, 1,40,800 Shares of Rs.10 each fully paid with premium of Rs.2 each was allotted to 25 existing shareholders through private placement.
- xv. According to information and explanations given to us the Company has not entered into any non-cash transactions with directors or persons and persons connected with him and so, the provisions of section 192 of Companies Act, 2013 not applicable.
- xvi. The Company is registered as a Non-Banking Finance Company, under section 45I of the Reserve Bank of India Act, 1934 and is holding a valid Certificate of Registration bearing (No.:B-07.00756), dated 8th November, 2006.

Date: Chennai
Place: 13-07-2018



For Madhu Balan & Associates.,
Chartered Accountants

(P. Arumugaram)
Partner

Firm Reg. No.: 0111065 | M. No.: 219184



MADHU BALAN & ASSOCIATES.,

Chartered Accountants

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF SARVODAYA NANO FINANCE LIMITED [THE 'COMPANY']

[Referred to in Paragraph 5 (ii)(f) of our report of even date]

Report on the Internal Financial Controls under Clause (l) 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 **SARVODAYA NANO FINANCE LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Companies Act, 2013.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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





MADHU BALAN & ASSOCIATES.,

Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting:

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting:

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

Opinion:

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

Date: 13-07-2018

Place: Chennai



For Madhu Balan & Associates.,
Chartered Accountants

(P. Arumugam)
Partner

Firm Reg. No.: 0111065 | M. No.: 219184

SARVODAYA NANO FINANCE LIMITED

CIN: U65923TN2003PLC050614

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(All amounts in unless otherwise stated)

BALANCE SHEET AS AT	Notes	31-Mar-18	31-Mar-17
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	252,586,510	251,178,510
Share Application Money		-	132,000
Reserves and surplus	4	80,467,311	62,461,267
		<u>333,053,821</u>	<u>313,771,777</u>
Non-current liabilities			
Long term borrowings	5	212,500,000	188,000,000
Deferred tax liabilities	6	-	-
Long term provisions	7	5,280,941	4,951,265
		<u>217,780,941</u>	<u>192,951,265</u>
Current liabilities			
Short-term borrowings	8	9,692,209	9,838,919
Other current liabilities	9	13,085,169	11,541,059
		<u>22,777,378</u>	<u>21,379,978</u>
		<u>573,612,140</u>	<u>528,103,020</u>
II. ASSETS			
Non-current assets			
Fixed assets	10		
Tangible assets		957,470	1,072,042
Deferred tax (net)	6	103,258	31,791
Other non-current assets	11	2,117,518	(422,985)
		<u>3,178,246</u>	<u>680,848</u>
Current assets			
Cash and cash equivalents	12	42,591,772	33,847,322
Loans - Unsecured	13	524,594,149	490,201,913
Short-term loans and advances	14	1,302,218	1,294,720
Other current assets	15	1,945,755	2,078,217
		<u>570,433,894</u>	<u>527,422,172</u>
		<u>573,612,140</u>	<u>528,103,020</u>
Summary of significant accounting policies	1-2		
Other disclosures	22-28		

The accompanying notes form an integral part of the financial statements

As per our report of even date
for Madhu Balan & Associates
Chartered Accountants

(R. Arunugaran)
Partner

ICAI Firm No. 0113065 / M. No.: 219184

For and on behalf of the Board of Directors of
SARVODAYA NANO FINANCE LIMITED

Managing Director

Director

Chief Financial officer



Place: Chennai

Date: 13-07-2018

SARVODAYA NANO FINANCE LIMITED

CIN: U65923TN2003PLC050614

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(All amounts in ₹ unless otherwise stated)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR	Notes	31-Mar-18	31-Mar-17
REVENUE			
Revenue from operations	16	93,241,351	91,077,509
Other income	17	2,562,366	1,106,954
Total Revenue		95,803,717	92,184,463
EXPENSES			
Employee benefits expense	18	23,990,951	22,158,178
Finance costs	19	25,001,421	25,589,859
Other operating expenses	20	17,434,925	15,885,738
Provisions and write-offs	21	4,775,302	5,547,860
Depreciation	10	462,665	352,210
Total expenses		71,665,264	69,533,845
Profit/(Loss) before tax		24,138,453	22,650,618
Tax expense:			
Current tax		6,500,932	7,799,100
Deferred tax		(71,467)	(50,603)
Profit/(Loss) for the year		17,708,988	14,902,121
Earning per equity share (EPS) - in ₹ (Refer note 22)			
- Basic and Diluted		0.69	0.47
Weighted average number of shares considered for			
- Basic and Diluted		25,729,015	23,057,717
Summary of significant accounting policies	1-2		
Other disclosures	22-28		

The accompanying notes form an integral part of the financial statements



As per our report of even date
for **Madhu Balan & Associates**
Chartered Accountants

(P. Arumugaram)
Partner

ICAI Firm No. 0111065 / M. No.: 219284

Place: Chennai
Date: 13-07-2018

For and on behalf of the Board of Directors
SARVODAYA NANO FINANCE LIMITED

Managing Director

Director

Chief Financial officer

SARVODAYA NANO FINANCE LIMITED

CIN: U65923TN2003PLC050514

Address: No. 279, Avvai Shanmugam Salai, Royapettah, Chennai - 600 014,

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(All amounts in ₹ unless otherwise stated)

CASH FLOW STATEMENT FOR THE YEAR ENDED	31-Mar-18	31-Mar-17
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	24,138,453	22,650,618
<i>Adjustment for Non-cash (income) / expenditure:</i>		
Depreciation	462,665	352,210
Bad debts & other write-offs	4,072,380	4,059,080
Provision for bad and doubtful advances	(805,590)	243,030
Provision for Tax, written back	-	-
Provision/payment of gratuity	(14,246)	(108,247)
Operating profit before changes in operating assets	27,853,662	27,196,691
<i>Adjustments for:</i>		
(Increase)/ decrease in other loans and advances	124,964	2,913,554
(Decrease)/increase in other liabilities	1,397,400	(285,387)
Net cash generated from operating activities before tax	29,376,026	29,824,858
<i>(Increase)/ decrease in Portfolio</i>		
Loans disbursed	(1,719,402,600)	(1,923,036,000)
Loans repaid	1,680,937,984	1,894,673,861
Net (increase)/decrease in loans	(38,464,616)	(28,362,139)
Less: Income tax	(7,891,923)	(5,000,183)
Net cash generated from operating activities after tax	(16,980,513)	(3,537,464)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(332,637)	(45,975)
Net cash flow from investing activities	(332,637)	(45,975)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital	1,557,600	14,614,500
Net proceeds from Secured loans	24,500,000	(12,000,000)
Net cash generated from financing activities	26,057,600	2,614,500
Net increase/(decrease) in cash and cash equivalents during the year	8,744,450	(968,939)
(A)+(B)+(C)		
Cash and cash equivalents at the beginning of the year	33,847,322	34,816,261
Cash and cash equivalents at the end of the year (refer below)	42,591,772	33,847,322
Components of cash and cash equivalents:		
Cash and cash equivalents [Refer Note 12]	42,591,772	33,847,322
Cash and cash equivalents considered for cash flow	42,591,772	33,847,322
Summary of significant accounting policies		
Other disclosures		

The accompanying notes are an integral part of these financial statements



As per our report of even date
for **MADHU BALAN & ASSOCIATES.**
Chartered Accountants

P. Arumugaraaj
Partner

ICAI Firm No. 0111065 / M. No.: 229384

For and on behalf of the Board of Directors of
SARVODAYA NANO FINANCE LIMITED

Managing Director

Director

Chief Financial officer

Place: Chennai

Date: 13-07-2018

SARVODAYA NANO FINANCE LIMITED

CIN: U65923TN2003PLC050614

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Summary of significant accounting policies and other explanatory information

2.5 Loans and advances

2.5.1 Classification and Provisioning:

Loans and advances extended by the company which are outstanding on balance sheet date are classified as standard assets and Non-performing assets in terms of the 'Non-Banking Financial Company - Micro Finance Institutions' (NBFC-MFIs) Directions dated December 2, 2011 and provisioning was made at the following rates as specified in those directions.

S.No	Classification of Assets	Rate of Provisions
1	Standard Assets	0%
2	Non-Performing Assets (Interest/ principal payment has remained overdue for a period of 90 days or more)	Higher of: a) 1% of the outstanding loan portfolio or b) 50% of the loan instalments which are overdue for 90 days & above and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

2.6 Write-off policy

Loans are written off when the management has exhausted all options for recovery of Principal and interest on the loans.

2.7 Fixed assets

All fixed assets are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

2.8 Intangible assets

All intangible assets are capitalized in accordance with Accounting standard "Intangible Assets" issued by the ICAI and is amortized based on the management's estimate of its useful life.

2.9 Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors as per AS 28. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.10 Depreciation

Depreciation is provided pro-rata on the Straight-line method at the following rates based on useful lives specified under Schedule II of the Companies Act, 2013:

Class of fixed assets	Useful life (years)	Residual value	Rate of depreciation
Furniture and fixtures	10	5%	9.50%
Computers	3	5%	31.67%
Office equipment	5	5%	19.00%
Plant and machinery	15	5%	6.33%
Vehicles	8	5%	11.88%

2.11 Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.



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Summary of significant accounting policies and other explanatory information

1 SIGNIFICANT ACCOUNTING POLICIES: NOTES ON BUSINESS ACTIVITIES:

1.1 SARVODAYA NANO FINANCE LIMITED (the Company) is engaged primarily in micro finance activities directed to ultimate benefit of poorer sections of the society for enhancement of their livelihoods in a financially viable manner and provide financial support to these sections.

1.2 Registration as NBFC-MFI with Reserve Bank of India.

Pursuant to a notification no. RBI/2011-12/290/DNBS.CC.PD.No. 250/03.10.01/2011-12, dated December 02, 2011, by the Reserve Bank of India(RBI), all the NBFCs engaged in "microfinance" as defined in the said notification, were required to be registered as a separate category called "NBFC-MFI" and to follow the directions, restriction on the business operations carried by the company, and certain governance and monitoring matters as stated therein. The company had applied for registration and categorization as per the said Notification and is yet to obtain certificate of registration. Presently, the company is complying with additional requirements of RBI as applicable to NBFC-MFI.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of preparation of financial statements:

2.1.1 The financial statements have been prepared under historical cost conventions and on accrual basis unless stated otherwise elsewhere, assuming the principle of going concern and complying with the accounting standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, RBI Directions as applicable to NBFC-MFI.

2.1.2 The Company also follows all the norms and directions relating to Non- performing assets, classification thereof, provisioning, de-recognition of income and write off, as applicable to Non banking Finance Companies-MFI, as per various applicable provisions of the Directions issued under section 45IA of the Reserve Bank of India Act, 1934.

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2.3 Revenue recognition

2.3.1 Interest income on loans, (including upfront interest), is recognized under the effective rate of interest method. Income on Non-performing assets is recognized on cash basis as per applicable Directions of Reserve Bank of India. Any interest already recognized but not received is de-recognized, when assets become Non Performing, upon default of loan/interest payment obligations.

2.3.2 Amount received against written off loans is recognized on receipt basis.

2.3.3 Interest income on deposits with banks is recognized on time proportion accrual basis taking into account the amount outstanding and rate applicable.

2.3.4 All other types of income are recognized on accrual basis.

2.4 Grants

Grant received on capital account is capitalized as capital reserve whereas grant received on revenue account is treated as revenue in proportion to the corresponding expenditures incurred during the year. When capital grant is utilized for revenue expenditure, the matching portion of capital reserve is transferred to revenue in the same period.



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Summary of significant accounting policies and other explanatory information

2.12 Foreign currency transactions

- 2.12.1 Initial Recognition:** Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction
- 2.12.2 Conversion:** Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year.
- 2.12.3 Exchange Difference:** Exchange differences arising on the settlement of monetary items, or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

2.13 Retirement and other employee benefits

- 2.13.1** Retirement benefits in the form of monthly contribution to Provident Fund are charged to Profit and Loss Account of the year, when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the respective trust.
- 2.13.2** Gratuity is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

2.14 Segment information:

The company operates in a single reportable segment i.e. lending activity, which has similar risks and returns for the purpose of reporting under AS-17 'Segment Reporting' issued by ICAI. The Company does not have any reportable geographical segment.

2.15 Earnings per share

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

2.16 Accounting for taxes on Income

In accordance with the Accounting Standard-22, Accounting for taxes on Income, provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. Provision for deferred tax is made for all timing differences that arise in one accounting year and are capable of reversal in subsequent accounting year. As a prudent policy, any deferred tax asset is not recognized.

2.17 Closing cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and cash in hand, and short-term investments with an original maturity of three months or less.

2.18 Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made, when there is a possible obligation or a present obligation that will probably not require outflow of resources or where reliable estimate of the obligation cannot be made.



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Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

NOTES ON ACCOUNTS

3 Share capital	31-Mar-18		31-Mar-17	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹.10 each	30,000,000	300,000,000	25,000,000	250,000,000
	30,000,000	300,000,000	25,000,000	250,000,000
Issued, subscribed and fully paid-up				
Equity shares of ₹.10 each	25,258,651	252,586,510	25,117,851	251,178,510
Total	25,258,651	252,586,510	25,117,851	251,178,510

3.1 Reconciliation of the number of Equity shares	31-Mar-18		31-Mar-17	
	Number	Amount	Number	Amount
Number of equity shares outstanding at the beginning of the year	25,117,851	251,178,510	23,910,976	239,109,760
Add: Issued during the year	140,800	1,408,000	1,206,875	12,068,750
Number of equity shares outstanding at the end of the year	25,258,651	252,586,510	25,117,851	251,178,510

There was no issue of bonus shares/buy back of shares during the period and in the previous year.

3.2 Rights, preferences, restrictions of Equity Share Capital

The Company has only one class of equity shares of the par value of ₹.10 each and each share is entitled to one vote per share.

3.3 Shareholders holding Pattern:

	31-Mar-18		31-Mar-17	
	Number	% of share holding	Number	% of share holding
Equity shares of ₹10 each				
Shareholders holding more than 5% of the shares:				
Sarva Jana Seva Kosh Limited - NBFC	6,240,125	24.70%	6,240,125	24.84%
Sarvodaya Mutual Benefit Trust - Virdhunagar	1,519,275	6.01%	1,515,275	6.03%
Sarvodaya Mutual Benefit Trust - Sankarapuram	1,313,346	5.20%	1,313,346	5.23%
Sub total (A)	9,072,746	35.92%	9,068,746	36.10%
Others				
Sarvodaya Mutual Benefit Trusts (SMBTs)	15,901,305	62.95%	15,764,505	62.76%
Body Corporates	278,000	1.10%	278,000	1.11%
Individuals	6,600	0.03%	6,600	0.03%
Sub total (B)	16,185,905	64.08%	16,049,105	63.90%
Grand Total (A) + (B)	25,258,651	100.00%	25,117,851	100.00%

3.4 Consolidated

Mutual Benefit Trusts	18,733,926	74.17%	18,593,126	74.02%
Body Corporates	6,518,125	25.81%	6,518,125	25.95%
Individuals	6,600	0.03%	6,600	0.03%
Total	25,258,651	100.00%	25,117,851	100.00%



Audited financial statements for the year ended March 31, 2018

SARVODAYA NANO FINANCE LIMITED

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Summary of significant accounting policies and other explanatory information

		(All amounts in ₹ unless otherwise stated)	
		31-Mar-18	31-Mar-17
4 Reserves and surplus			
4.1 Securities Premium			
Opening balance	8,416,349	6,002,599	
Add: Addition during the year	281,600	2,413,750	
Closing balance	8,697,949	8,416,349	
4.2 Statutory reserve - Under section 45IC of Reserve Bank of India Act, 1934			
Opening balance	14,711,796	11,731,372	
Add: Addition during the year (20% of current year profits)	3,541,798	2,980,424	
Closing balance	18,253,594	14,711,796	
4.3 General reserve			
Opening balance	38,914,580	26,914,580	
Add: Addition during the year (Transfer from current year profits)	14,000,000	12,000,000	
Closing balance	52,914,580	38,914,580	
4.4 Surplus in the statement of profit and loss			
Opening balance	418,542	496,845	
Add : Transferred from statement of profit and loss	17,708,988	14,902,121	
Less : Excess provision on Fixed Assets of earlier years	(15,456)	-	
Transferred To:			
Transfer to Statutory Reserve	3,541,798	2,980,424	
Transfer to General Reserve	14,000,000	12,000,000	
Closing balance	601,188	418,542	
	Total	80,467,311	62,461,267

4.2.1 Transfer to statutory reserve

In accordance with the provisions of Section 45 IC of the RBI Act, 1934, the Company being a NBFC is required to transfer every year 20% of net profit after tax for the year to a statutory reserve.

	31-Mar-18	31-Mar-17
5 Long term borrowings		
Secured Loans		
Term loans		
- From Non-banking financial companies (NBFCs)	212,500,000	188,000,000
	212,500,000	188,000,000
Less: Current maturities of long term borrowings (refer note 9)		
Loans from NBFC's	-	-
	-	-
Total	212,500,000	188,000,000

5.1 Details of security for each type of borrowings including terms of repayment

Term loans availed from non-banking financial companies are fully secured by way of hypothecation on loan assets. Loan of ₹21,25,00,000 availed from Sarva Jana Seva Kosh Limited is repayable on or before August 1, 2018 in a bullet payment, Interest on loan is payable @13.50% p.a.



Audited financial statements for the year ended March 31, 2018

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Summary of significant accounting policies and other explanatory information*(All amounts in ₹ unless otherwise stated)*

6	Deferred tax liability/(Asset) [net]	31-Mar-18	31-Mar-17
	Deferred tax liability		
	Opening balance	(31,791)	18,812
	Addition during the year	(71,467)	(50,603)
	Total	(103,258)	(31,791)
6.1	<i>Deferred tax liability/(Asset) arising out of differences in depreciation in block of fixed assets as per tax books and financial books</i>		
7	Long Term Provisions	31-Mar-18	31-Mar-17
	Gratuity provision	35,000	49,246
	Provision for Non-performing assets (Refer Note -13.1 below)	5,245,941	4,902,019
	Total	5,280,941	4,951,265
7.1	Employee benefits		
	i). The Company has taken a group gratuity policy for its employees with the Life Insurance Corporation of India (LIC). Under this policy the eligible employees are entitled to receive gratuity payments upon their resignation or death in lump sum after deduction of necessary taxes upto a maximum limit of ₹1,000,000, as per the provisions of Payment of Gratuity Act, 1972.		
	ii). The following table sets out the status of the gratuity plan as required under Accounting Standard (AS) – 15, to the extent made available in Actuarial Valuation provided by Life Insurance Corporation of India. The data regarding change in the Projected Benefit Obligation/ Change in Plan Assets Position is not made available and hence not reported upon. However, by formation of independent trust with LIC and making the full contribution to the same, the company has assigned the entire future accruing gratuity obligation, in favour of LIC.		
7.2	Reconciliation of Gratuity Liability		
		31-Mar-18	31-Mar-17
	Opening balance	49,246	157,493
	Additions during the year	552,112	145,198
	Payment/reversal during the year	566,358	253,445
	Closing balance	35,000	49,246
7.3	For want of information from LIC, Defined Benefit Obligation, Fair Value of Plan assets, Expected Return on Planned Assets as required in the Accounting Standard 15 are not reported.		
8	Short-term borrowings	31-Mar-18	31-Mar-17
	Secured		
	Cash credit from banks	9,692,209	9,838,919
	(Secured by hypothecation of receivables on loan assets)		
	Total	9,692,209	9,838,919



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Summary of significant accounting policies and other explanatory information*(All amounts in ₹ unless otherwise stated)*

9 Other current liabilities	31-Mar-18	31-Mar-17
Income received in advance - Annapoorna Loan	4,127,665	6,501,852
Statutory liabilities	284,212	30,146
Other payables for expenses and services	8,673,292	5,009,062
Total	13,085,169	11,541,059

9.1 Dues to Micro, Small and Medium Enterprises

As per the management assessment, there are no enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA).

11 Other non-current assets	31-Mar-18	31-Mar-17
Deposits	7,200	7,200
Advance tax*	2,110,318	(430,185)
Total	2,117,518	(422,985)

* Net of provision for tax of ₹111,64,744 (Previous year: ₹1,24,23,767)

12 Cash and cash equivalents	31-Mar-18	31-Mar-17
Balances with banks		
In Current accounts with scheduled banks	39,591,772	32,396,919
In Term Deposits (Short term)	3,000,000	-
Cash in hand	-	1,450,403
Total	42,591,772	33,847,322



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SARVODAYA NANO FINANCE LIMITED

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Summary of significant accounting policies and other explanatory information*(All amounts in ₹ unless otherwise stated)*

13 Loans (Short-term)	31-Mar-18	31-Mar-17
Unsecured, considered Good		
Standard Assets (As per RBI NBFC-MFI directions)	522,289,700	487,099,103
Unsecured, considered doubtful		
Non Performing Assets (As per RBI NBFC-MFI directions)	2,304,449	3,102,810
Total	524,594,149	490,201,913
13.1 Provision for non-performing assets	31-Mar-18	31-Mar-17
Opening balance	4,902,019	4,658,989
Additions/(reversed) during the year as per policy stated in 2.5	343,922	243,030
Closing balance	5,245,941	4,902,019
14 Short-term loans & advances	31-Mar-18	31-Mar-17
Secured, considered good		
Loans to staff	477,710.00	580,412
Unsecured, considered good		
Advance to staff	148,111.00	302,060
Unsecured, considered doubtful		
Advance to others	676,397	1,561,760
Less: Provision for doubtful advances	-	1,149,512
	676,397	412,248
Total	1,302,218	1,294,720
15 Other current assets	31-Mar-18	31-Mar-17
Interest accrued but not due		
- On loan portfolio	1,497,589	787,616
Other receivables	448,159	1,290,602
Total	1,945,748	2,078,218



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Summary of significant accounting policies and other explanatory information

Note 10: Fixed assets

(All amounts in ₹ unless otherwise stated)

Description	Gross block			Depreciation					Net block		
	As At April 1, 2017	Additions	Deletions	As At March 31, 2018	As At April 1, 2017	*Depreciation adjustment	For the period	On deletions	As At Mar 31, 2018	As At Mar 31, 2018	As at March 31, 2017
(i) Tangible assets											
Computers and peripherals *	2,899,387	297,892	-	3,197,279	2,795,840	-	132,637	-	2,928,477	268,802	103,547
Office Equipment *	379,096	34,745	-	413,841	343,036	-	19,885	-	362,921	50,920	36,060
Plant and Machinery *	624,430	-	-	624,430	454,043	-	61,965	-	516,008	108,422	170,387
Furniture and fixtures	973,108	-	-	973,108	939,945	(15,456)	-	-	924,489	48,619	33,163
Vehicles	845,208	-	-	845,208	116,323	-	248,178	-	364,501	480,707	728,885
Total	5,721,229	332,637	-	6,053,866	4,649,187	(15,456)	462,665	-	5,096,396	957,470	1,072,042
Previous year	3,827,034	45,975	-	5,721,229	2,448,757	-	352,210	-	4,649,187	1,072,042	

* Assets are re-classified



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SARVODAYA NANO FINANCE LIMITED

CIN: U65923TN2003PLC050614

Address: No. 279, Avvai Shanmugam Salai, Royapettah, Chennai - 600 014.

Ph: 044-2813 0537/8529 2218, Telefax: 044-2813 1880,

Email: info@sarvodayanano.org.in, www.sarvodayanano.org.in

Summary of significant accounting policies and other explanatory information

<i>(All amounts in ₹ unless otherwise stated)</i>			
	31-Mar-18	31-Mar-17	
16 Revenue from operations			
Interest income on portfolio loans			
Individual micro - entrepreneurs	74,352,769	70,887,031	
Other receipts from borrowers			
Loan processing fee	17,037,805	19,007,245	
Recovery from bad debts written off	1,850,777	1,183,233	
Total	93,241,351	91,077,509	
17 Other income	31-Mar-18	31-Mar-17	
Recovery from embezzlements written off	542,935	414,300	
Interest on term deposits	125,136	36,994	
Interest on employee loans	40,012	61,203	
Interest on Income Tax Refund	637,181	-	
Miscellaneous Income	67,590	164,000	
	1,412,854	676,497	
Provision no longer required, written-back			
- on non-performing loans	-	-	
- on others	1,149,512	430,457	
- on Bonus	-	-	
	1,149,512	430,457	
Total	2,562,366	1,106,954	
18 Employee benefits expense	31-Mar-18	31-Mar-17	
Salaries, allowances and incentives	21,388,506	19,925,050	
Contribution to provident and other funds	1,929,260	1,773,758	
Staff development & training expenses	121,073	94,936	
Gratuity	552,112	364,434	
Total	23,990,951	22,158,178	
19 Finance costs	31-Mar-18	31-Mar-17	
Interest on term loans from non-banking financial companies	23,808,748	24,333,043	
Interest on working capital loan from bank	310,429	455,144	
Processing charges	-	250,000	
Bank charges	882,244	551,672	
Total	25,001,421	25,589,859	



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Summary of significant accounting policies and other explanatory information*(All amounts in ₹ unless otherwise stated)*

20	Other operating expenses	31-Mar-18	31-Mar-17
	Travelling and conveyance	8,033,587	9,425,264
	Portfolio management charges	2,464,992	1,513,471
	Professional and consultancy charges	3,859,703	1,501,426
	Membership fee	145,750	191,407
	Communication expenses	498,171	442,327
	Rent	537,600	537,600
	Insurance	322,502	303,512
	Printing and stationery	410,755	130,225
	Electricity expenses	158,268	173,648
	Repairs and maintenance	240,276	186,125
	Good Performance rebate to SMBTs		
	Meeting expenses	278,721	212,223
	Rates and taxes	20,399	389,115
	Miscellaneous expenses	69,354	59,538
	Total (a)	17,040,078	15,065,881
	Payment to auditors	31-Mar-18	31-Mar-17
	As auditor		
	Audit fee, inclusive of service tax	300,000	500,000
	In other capacity		
	Other services	-	230,000
	Reimbursement of expenses	94,847	89,857
	Total (b)	394,847	819,857
	Total (a+b)	17,434,925	15,885,738
21	Provisions and write-offs	31-Mar-18	31-Mar-17
	Bad debts written off	4,072,380	4,059,080
	Loss due to embezzlements written off / Provision	359,000	1,245,750
	Provision for NPA	343,922	243,030
	Total	4,775,302	5,547,860



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Summary of significant accounting policies and other explanatory information*(All amounts in ₹ unless otherwise stated)***Other disclosures**

22	Earnings per share	31-Mar-18	31-Mar-17
a)	Computation of profit		
	Net profit / (loss) for the period	17,708,988	14,902,121
	Basic earnings per share	0.69	0.65
	Diluted earnings per share	0.69	0.65
b)	Computation of weighted average number of shares considered		
	- for calculation of Basic earnings per share	25,729,015	23,057,717
	- for calculation of Diluted earnings per share	25,729,015	23,057,717
c)	Nominal value per share	10	10

23 Related party disclosure**a) Names of related parties with whom transactions have been entered**

i.	Key management personnel (KMP)	Ms. B. Raghini
ii.	Entity in which directors are interested	Sarva Jana Seva Kosh Limited (SJSK) Association for Sarva Seva Farms (ASSEFA)
iii.	Entity in which relatives of directors are interested	Sarva Seva Gramodyog Samithi (SSGS)
iv.	Relatives of director	Mr. Loganathan Kumar



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Summary of significant accounting policies and other explanatory information*(All amounts in ₹ unless otherwise stated)***Other disclosures****b) Transactions with related parties:**

Transactions during the period / year	31-Mar-18	31-Mar-17
Entity in which directors are interested		
SJSK		
- Loan received	123,500,000	55,000,000
- Loan repaid	99,000,000	67,000,000
- Interest and other charges paid/provided	23,808,748	24,583,043
- Other receipts for services	-	1,149,992
- Investment in Shares of SNFL	-	12,000,000
ASSEFA		
- Rent paid	480,000	480,000
- PF contribution paid	859,029	835,145
- PF contribution received	-	-
- Other payments for services	268,482	268,482
- Other receipts for services	-	-
Relatives of director		
- Rent and other payments for services	61,000	61,125
Remuneration paid to KMP	734,163	1,390,600

c) Balances with related parties

	31-Mar-18	31-Mar-17
Balance (due to) / due from		
Entities in which directors of the Company are able to exercise control or have significant influence	444,600	1,144,992
Key management personnel (KMP)	Nil	Nil



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Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

24 Contingent liabilities and commitments	31-Mar-18	31-Mar-17
a) Contingent liabilities	Nil	Nil
b) Capital commitments	Nil	Nil

25 a) Earnings and expenditure in foreign currency on accrual basis - Nil (Previous year: Nil)

b) In the opinion of Board, all the assets other than fixed assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

c) Other information required under the head additional information in para 5 (viii) of Schedule III- Nil

26 Additional disclosures pursuant to the Reserve Bank Directions vide circular no. RBI/2010-11/18, DNBS (PD).CC.No.178/03.02.001/2010-11 dated 1 July 2010

(i) Capital to Risk-Assets ratio (CRAR)

Particulars	31-Mar-18	31-Mar-17
CRAR (%)	63.49%	60.55%
CRAR - Tier I capital (%)	63.49%	60.55%
CRAR - Tier II capital (%)	0.00%	0.00%

(ii) Company's exposure to real estate sector as on March 31, 2018 is Nil (Previous year: Nil)

(iii) Exposure to capital markets is Nil (Previous year Nil)

27 Comparatives

The previous year figures are regrouped /rearranged to conform to current year presentation.

As per our report of even date
for **MADHU BALAN & ASSOCIATES**
Chartered Accountants



(P.Arumugara)
Partner

ICAI Firm No. 0111065 / M. No.: 219184

For and on behalf of the Board of Directors of
SARVODAYA NANO FINANCE LIMITED

Managing Director

Director

Chief Financial Officer

Place: Chennai

Date : 13-07-2018

SARVODAYA NANO FINANCE LIMITED

CIN: U65923TN2003PLC050634

Address: No. 279, Avvai Shanmugam Salai, Royapettah, Chennai - 600 014.

Ph: 044-2813 0537/6528 2218, Telefax: 044-2813 1880,

Email: info@sarvodayanano.org.in, www.sarvodayanano.org.in

Summary of significant accounting policies and other explanatory information

28. Asset Liability Management

As at 31 March 2018

Maturity within

(All amounts in ₹ unless otherwise stated)

	1 to 30 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	5 years and above	Total as per balance sheet
Liabilities									
Secured loans	9,692,209	-	-	-	-	212,500,000	-	-	222,192,209
Unsecured loans	-	-	-	-	-	-	-	-	-
Assets									
Loans to SMBTs	-	-	-	-	-	-	-	-	-
Loans to Micro	-	-	-	-	-	-	-	-	-
Entrepreneurs	127,241,650	106,587,150	82,248,900	140,216,049	68,300,400	-	-	-	524,594,149
Excess/ (Shortfall)	117,549,441	106,587,150	82,248,900	140,216,049	68,300,400	(212,500,000)	-	-	302,401,940

As at 31 March 2017

Maturity within

	1 to 30 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	5 years and above	Total as per balance sheet
Liabilities									
Secured loans	9,838,919	-	-	-	-	188,000,000	-	-	197,838,919
Unsecured loans	-	-	-	-	-	-	-	-	-
Assets									
Loans to SMBTs	-	-	-	-	-	-	-	-	-
Loans to Micro	-	-	-	-	-	-	-	-	-
Entrepreneurs	140,390,783	124,470,000	88,837,500	113,558,750	22,944,880	-	-	-	490,201,913
Excess/ (Shortfall)	130,551,864	124,470,000	88,837,500	113,558,750	22,944,880	(188,000,000)	-	-	292,362,994



SARVODAYA NANO FINANCE LIMITED

(All amounts in ₹, unless otherwise stated)

GROUPINGS TO THE BALANCE SHEET AS ON

BS-1	Paid up Share Capital	31-Mar-18	31-Mar-17
	Equity Share Capital	252,586,510	251,178,510
	Preference Share Capital	-	-
	Total	252,586,510	251,178,510
BS-2	Reserves and Surplus	31-Mar-18	31-Mar-17
BS-2.1	Securities Premium		
	Balance at the beginning of the year	8,416,349	6,002,599
	Add : Additions during the year	281,600	2,413,750
	Less: Adjustment / reversal during the year	-	-
	Total	8,697,949	8,416,349
BS-2.2	Statutory Reserve		
	Balance at the beginning of the year	14,711,796	11,731,372
	Add : Additions during the year	3,541,798	2,980,424
	Less: Adjustment / reversal during the year	-	-
	Total	18,253,594	14,711,796
BS-2.3	General Reserve		
	Balance at the beginning of the year	38,914,580	26,914,580
	Add : Additions during the year	14,000,000	12,000,000
	Less: Adjustment / reversal during the year	-	-
	Total	52,914,580	38,914,580
BS-2.4	Surplus		
	Balance at the beginning of the year	418,542	496,845
	Add : Additions during the year	17,708,988	14,902,121
	Less: Appropriations during the year	17,541,798	14,980,424
	Less : Excess provision on Fixed Assets of earlier years	(15,456)	-
	Transfer to Statutory Reserve	3,541,798	2,980,424
	Transfer to General Reserve	14,000,000	12,000,000
	Total	601,188	418,542
	Total Reserves and Surplus	80,467,311	62,461,267
BS-3	Share Application Money	31-Mar-18	31-Mar-17
	Equity Share Capital	-	132,000
	Total	-	132,000
BS-4	Secured Loans	31-Mar-18	31-Mar-17
BS-4.1	Secured Loans from Bank	-	-
	Secured Loans from NBFC's	212,500,000	188,000,000
	Total Long Term Borrowings	212,500,000	188,000,000
BS-4.2	Current maturities of longterm borrowings		
	Secured Loans from Bank	-	-
	Secured Loans from NBFC's	-	-
BS-4.3	Short term borrowings		
	Cash Credit from Banks	9,692,209	9,838,919
	Total Short Term Borrowings	9,692,209	9,838,919



SARVODAYA NANO FINANCE LIMITED

(All amounts in ₹. unless otherwise stated)

GROUPINGS TO THE BALANCE SHEET AS ON

		Total Borrowings	222,192,209	197,838,919
BS-5 Provision for Deffered Tax				
		31-Mar-18	31-Mar-17	
Opening Balance		(31,791)	18,812	
Add: Provision made during the year		-	-	
Less: Adjustments during the year		71,467	50,603	
Total		(103,258)	(31,791)	
BS-6 Long term provisions				
		31-Mar-18	31-Mar-17	
BS-6.1 Provision for Gratuity				
Gratuity Provision		35,000	49,246	
Total		35,000	49,246	
BS-6.2 Provisions for Non Performing Assets (NPA)				
Opening Balance		4,902,019	4,658,989	
Add: Addition during the year		343,922	243,030	
Less: Adjustment / reversal during the year		-	-	
Total		5,245,941	4,902,019	
BS-6.3 Provision for ESI contribution				
BS-6.4 Provision for Fraud		-	-	
Total		5,280,941	4,951,265	
BS-7 Other current liabilities				
		31-Mar-18	31-Mar-17	
BS-7.1 Interest accrued but not due on borrowings				
Amount Payable against interest on Borrowings A/c		-	-	
BS-7.2 Interest received in advance from borrowers				
Interest received in advance - Annapurna product		4,127,665	6,501,852	
Interest received in advance - Annapurna special		-	-	
Total		4,127,665	6,501,852	
BS-7.3 Statutory liabilities				
Provident Fund Payable A/c		840	(3)	
ESI Payable		-	-	
Service Tax Payable		(25,025)	5,075	
TDS Payable		308,396	25,074	
Total		284,212	30,146	
BS-7.4 Payable to employees				
Travelling Expenses Payable A/c		768,362	749,511	
BS-7.5 Sundry Creditors				
Provison for expenses		3,320,228	2,741,752	
Expenses payable		4,584,702	1,517,799	
Difference in inter office accounts		-	-	
Total		8,673,292	5,009,062	
Total Other Current Liabilities		13,085,168	11,541,059	



SARVODAYA NANO FINANCE LIMITED

(All amounts in ₹. unless otherwise stated)

GROUPINGS TO THE BALANCE SHEET AS ON

BS-8	Other non-current assets	31-Mar-18	31-Mar-17
BS-8.1	Rent, telephone & other deposits		
	Telephone Deposit	7,200	7,200
	Total	7,200	7,200
BS-8.2	Advance Tax (net of provision for tax)		
	Advance Tax		
	Advance Tax 2015-16	3,000,000	3,000,000
	Advance Tax 2016-17	-	4,500,000
	Advance Tax 2017-18	7,200,000	-
	Self Assessment Tax - FY 2015-16	1,832,144	1,832,144
	Advance Tax TDS - 2015-16	8,542	8,542
	Advance Tax TDS - 2017-18	132,949	-
	Refund Receivable - FY 2007-08	-	1,551,469
	Refund Receivable - FY 2011-12	1,101,427	1,101,427
	Total	13,275,062	11,993,582
BS-8.3	Provision for Taxation		
	Provision for taxation A/c	12,423,767	4,624,667
	Add: Provided for the year	6,500,932	7,799,100
	Less: Reversal- Since IT Assessment completed	7,759,955	-
	Less: Income Tax refund received during the year	-	-
	Total	11,164,744	12,423,767
	Total	2,110,318	(430,185)
BS-9	Cash and bank balances	31-Mar-18	31-Mar-17
BS-9.1	Cash in hand	-	1,450,403
BS-9.2	Balances with banks		
	- In current accounts	39,591,772	32,396,919
	- In Term Deposit accounts	3,000,000	-
	Total	42,591,772	33,847,322
BS-10	Loans to micro entrepreneurs and Institutions	31-Mar-18	31-Mar-17
	Unsecured, Considered Good		
	Individual Loans		
	Loans: Nalavazhvu	130,784,687	91,000,353
	Loans: Annapoorna	202,334,337	293,745,758
	Loans: Annapoorna (Special)	-	-
	Loans: Vazhavadharam	189,170,676	102,352,992
	Total	522,289,700	487,099,103



(Signature)

SARVODAYA NANO FINANCE LIMITED

(All amounts in ₹. unless otherwise stated)

GROUPINGS TO THE BALANCE SHEET AS ON

Unsecured, Considered doubtful			
Loans to individuals			
Loans Annapurna	1,462,430	2,707,150	
Loans Nalavazhu	428,259	84,900	
Loans: Vazhavadharam	413,760	310,760	
	2,304,449	3,102,810	
Loans to SMBTs		-	-
	2,304,449	3,102,810	
Total Loan to Members		524,594,149	490,201,913
BS-11	Short term loans and advances	31-Mar-18	31-Mar-17
BS-11.1	Loans to Staff	477,710	580,412
BS-11.2	Advances to staff	148,111	302,060
BS-11.3	Advance to others		
	Advance to SMBT	666,424	1,387,227
	Amount recoverable relating to misappropriated fund	-	170,000
	Others assets - Receivable from SMBT	9,974	4,533
		676,397	1,561,760
	Less: Provision for doubtful advances	-	1,149,512
		676,397	412,248
Total		1,302,218	1,294,720
BS-12	Other current assets	31-Mar-18	31-Mar-17
	Interest accrued but not due on loans		
	Interest accrued but not due on Individual loans	1,497,589	787,616
	Other receivables		
	Expenses recoverable	444,600	1,285,035
	Difference in inter office accounts	0	-
	Suspense - Branch A/c	-	-
	Other recoverables	3,559	5,567
		448,159	1,290,602
Total Other Current Assets		1,945,748	2,078,218



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SARVODAYA NANO FINANCE LIMITED
(All amounts in ₹ unless otherwise stated)

GROUPING INCOME AND EXPENDITURE FOR THE PERIOD		31-Mar-18	31-Mar-17
P&L- 1	Interest Income on Portfolio Loans		
	Interest on Loans		
	- To Sarvodaya Mutually Benefit Trusts (SMBT)	-	-
	- To Annapoorna Borrowers	34,837,769	48,006,554
	- To Annapoorna Borrowers - Special	-	-
	- To Nalavaivazhu Borrowers	16,980,982	10,573,050
	- To Vazhvadharam Borrowers	22,534,019	12,307,427
		74,352,769	70,887,031
	Less: Interest Derecognition	-	-
	Total	74,352,769	70,887,031
P&L- 2	Other Miscellaneous Receipts from Members	31-Mar-18	31-Mar-17
	Processing Fee	17,037,805	19,007,245
	Total	17,105,395	19,007,245
P&L- 3	Other Income	31-Mar-18	31-Mar-17
	Interest on Staff Vehicle Loans	40,012	61,203
		40,012	61,203
	Interest on Bank Deposits	125,136	36,994
	Provision no longer required, written back on NPAs	-	-
	Provision no longer required, written back on misappropriation	-	288,405
	Provision no longer required, written back on Gratuity	-	-
	Provision no longer required, written back on Others	1,149,512	-
	Provision no longer required, written back on Bonus	-	142,052
	Other income - Recovery from embezzlements written off	542,935	414,300
	Other Income -recovery from written off A/cs	1,850,777	1,183,233
	Other Income - Income Tax refund	637,181	-
	Miscellaneous Income	67,590	164,000
	Total	4,413,143	2,290,187
P&L- 4	Personnel Expenses	31-Mar-18	31-Mar-17
	Salaries and Incentives		
	Staff Salaries	17,296,014	16,809,149
	Remuneration to CMD	276,370	600,000
	Remuneration to MD	734,163	-
	Staff Allowances & Incentives		
	Staff Performance Bonus	3,081,959	2,515,901
	Employer Contribution to Provident Fund	1,774,344	1,648,352
	Employer Contribution to ESIC	154,916	125,406
	Total	23,317,766	21,698,808
P&L- 5	Staff Welfare Expenses	31-Mar-18	31-Mar-17
	Staff Recruitment & Training Expenses	-	-
	Staff Welfare Expenses	121,073	94,936
	Total	121,073	94,936
P&L- 6	Gratuity	31-Mar-18	31-Mar-17
	Gratuity Expenses	552,112	364,434
	Total	552,112	364,434



SARVODAYA NANO FINANCE LIMITED

(All amounts in ₹ unless otherwise stated)

GROUPING INCOME AND EXPENDITURE FOR THE PERIOD		31-Mar-18	31-Mar-17
P&L- 7	Financial Expenses	31-Mar-18	31-Mar-17
	Interest on Term Loans from Banks	-	-
	Interest on Term loans from NBFC's	23,808,748	24,333,043
	Interest on Working Capital loan from bank	310,429	455,144
	Loan processing fee	-	250,000
	Total	24,119,177	25,038,187
P&L- 8	Bank Charges	31-Mar-18	31-Mar-17
	Bank Charges	882,244	551,672
	Total	882,244	551,672
P&L- 9	Rent	31-Mar-18	31-Mar-17
	Rent (Office & Branches)	537,600	537,600
	Total	537,600	537,600
P&L- 10	Rates and Taxes	31-Mar-18	31-Mar-17
	Rates & Taxes - Service Tax	-	-
	ROC Filing Fee & Charges	20,399	389,115
	Total	20,399	389,115
P&L- 11	Insurance	31-Mar-18	31-Mar-17
	Insurance	322,502	303,512
	Cash Insurance for Transit & Safe	-	-
	Vehicle Insurance	-	-
	Total	322,502	303,512
P&L- 12	Repairs & Maintenance	31-Mar-18	31-Mar-17
	AMC - Maintenance	-	-
	Repairs & Maintenance	240,276	186,125
	Total	240,276	186,125



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SARVODAYA NANO FINANCE LIMITED
(All amounts in ₹ unless otherwise stated)

GROUPING INCOME AND EXPENDITURE FOR THE PERIOD		31-Mar-18	31-Mar-17
P&L- 13 Electricity charges		31-Mar-18	31-Mar-17
Electricity charges		158,268	173,648
	Total	158,268	173,648
P&L- 14 Traveling Expenses		31-Mar-18	31-Mar-17
Travelling Expenses			
Managing Director		33,716	13,789
Directors		53,199	53,834
Staff		7,857,433	9,189,610
Others		34,125	123,967
Boarding and lodging Expenses			
Managing Director		21,836	16,722
Directors		-	1,450
Staff		-	-
Others		5,835	-
Local Conveyance Expenses			
Managing Director		19,755	5,550
Directors		7,688	20,342
Staff		-	-
Others		-	-
	Total	8,033,587	9,425,264
P&L-15 Communication Expenses		31-Mar-18	31-Mar-17
Telephone Expenses		381,255	331,913
Postage & Telegrams		116,916	110,414
	Total	498,171	442,327
P&L- 16 Printing & Stationery		31-Mar-18	31-Mar-17
Printing & Stationery		410,755	130,225
Computer Stationery		-	-
	Total	410,755	130,225
P&L- 17 Professional and Consultancy Charges		31-Mar-18	31-Mar-17
Professional Charges		382,500	924,897
Consultancy Charges		12,000	-
CIB Charges - High Mark		368,603	476,529
Good Performance Incentive to SMTs		3,050,000	-
Legal Charges		46,600	100,000
	Total	3,859,703	1,501,426
P&L- 18 Membership Fee		31-Mar-18	31-Mar-17
Membership Fee Expenses		145,750	191,407
	Total	145,750	191,407
P&L- 19 Miscellaneous Expenses		31-Mar-18	31-Mar-17
Service Tax Expenses		-	-
Books & Periodicals		8,110	7,570
Other Miscellaneous Expenses		61,244	51,968
	TOTAL	69,354	59,538



SARVODAYA NANO FINANCE LIMITED
(All amounts in ₹ unless otherwise stated)

GROUPING INCOME AND EXPENDITURE FOR THE PERIOD		31-Mar-18	31-Mar-17
P&L- 20 Auditors' Remuneration		31-Mar-18	31-Mar-17
Audit Fee		300,000	500,000
Income tax matters		-	-
Others - RBI - NBFC-MFI		-	230,000
Out of pocket expenses		94,847	89,857
Total		394,847	819,857
P&L- 21 Provision for doubtful debts and write offs		31-Mar-18	31-Mar-17
Bad Debts Written Off		4,072,380	4,059,080
Provision for NPA - P&L A/c		343,922	243,030
Embezzlement write-off		359,000	1,245,750
Write off - Others		-	-
Provision for doubtful advances		-	-
Total		4,775,302	5,547,860
P&L- 22 Provision for Taxes		31-Mar-18	31-Mar-17
Tax on income		6,500,932	7,799,100
Reversal of deferred tax asset of earlier years		(71,467)	(50,603)
Total		6,429,465	7,748,497

