

**AUDITORS' REPORT
TO THE MEMBERS OF
JANALAKSHMI SOCIAL SERVICES**

1. We have audited the attached Balance Sheet of **Janalakshmi Social Services** ("the Company") as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, is not applicable to the Association as it is licensed to operate under Section 25 of the said Act.
4. Further to our comments referred to in paragraph 3 above, we report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

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- (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2012 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For Deloitte Haskins & Sells
Chartered Accountants
Registration No. 008072S

S. Sundaresan

S. Sundaresan
Partner
M. No.25776

September 5, 2012

Bangalore,
SS/RB/HSM/2012

JANALAKSHMI SOCIAL SERVICES

(Registered under Section 25 of the Companies Act, 1956)

(A Company Limited By Guarantee)

Balance Sheet as at 31 March, 2012

Particulars		Note No.	As at 31-Mar-12 Rs.	As at 31-Mar-11 Rs.
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital (Refer Note 21)		-	-
	(b) Reserves and surplus	2	(16,524,427)	(7,155,514)
2	Non-current liabilities			
	(a) Long-term provisions	3	485,728	66,280
3	Current liabilities			
	(a) Short-term borrowings	4	35,442,638	41,437,944
	(b) Trade payables	5	1,043,155	747,380
	(c) Other current liabilities	6	10,550,265	1,498,990
	(d) Short-term provisions	7	48,399	193,365
	TOTAL		31,045,758	36,788,445
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	8A	84,506	79,952
	(ii) Intangible assets	8B	63,228	105,334
	(b) Non-current investments	9	100,001	100,001
	(c) Long-term loans and advances	10	1,605,393	999,320
2	Current assets			
	(a) Trade receivables	11	1,547,044	746,661
	(b) Cash and cash equivalents	12	12,212,588	2,037,133
	(c) Short-term loans and advances	13	15,366,283	31,929,050
	(d) Other current assets	14	66,715	790,994
	TOTAL		31,045,758	36,788,445

See accompanying notes forming part of the financial statements 1 to 31

As per our report of even date

For Deloitte Haskins & Sells

Chartered Accountants

S. Sundaresan

S Sundaresan

Partner

Place: Bangalore

Date: 5-Sep-2012



For and on Behalf of the Board of Directors

R. Srinivasan

Raghunath Srinivasan

Director

Place: Bangalore

Date: 5-Sep-2012

R. Ramanathan

Ramesh Ramanathan

Director



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Statement of Profit and Loss for the year ended 31 March, 2012

Particulars		Note No.	As at 31-Mar-12 Rs.	As at 31-Mar-11 Rs.
1	Revenue from operations	16	11,990,359	2,860,310
2	Other income	17	15,764,013	247,280
3	Total revenue (1+2)		27,754,372	3,107,590
4	Expenses			
	(a) Employee benefits expense	18	20,103,054	7,845,051
	(b) Finance costs	19	4,449,728	-
	(c) Depreciation and amortisation expense	8	77,552	40,534
	(d) Other expenses	20	12,492,951	4,291,426
	Total expenses		37,123,285	12,177,011
5	Loss for the year		(9,368,913)	(9,069,421)

See accompanying notes forming part of the financial statements 1 to 31

As per our report of even date
For Deloitte Haskins & Sells
Chartered Accountants




S Sundaresan
Partner

Place: Bangalore
Date: 05-Sep-2012



For and on Behalf of the Board of Directors



Raghunath Srinivasan
Director

Place: Bangalore
Date: 05-Sep-2012

Ramesh Ramanathan
Director



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CASH FLOW STATEMENT FOR THE YEAR ENDING 31 MARCH, 2012

	Particulars	As at 31-Mar-12 Rs.	As at 31-Mar-11 Rs.
A.	Cash flow from Operating Activities		
	Net Profit / (Loss) before tax and extra ordinary items	(9,368,913)	(9,069,421)
	Add: Depreciation and amortisation	77,552	40,534
	Less: Interest received from Banks	(7,021)	(9,298)
	Operating profit before working capital changes	(9,298,382)	(9,038,185)
	Changes in working capital		
	(Increase) / Decrease in Trade receivables	(800,383)	(1,978,222)
	(Increase) / Decrease in Short-term loans and advances	16,562,767	(746,661)
	(Increase) / Decrease in Other current assets	724,279	(737,746)
	Increase/(Decrease) in Short-term borrowings	(5,995,306)	12,007,908
	Increase/(Decrease) in Trade Payable	295,775	325,818
	Increase/(Decrease) in Other Current Liabilities	9,051,275	1,684,276
	Increase/(Decrease) in Long/Short-term Provisions	274,482	377,142
	Net change in working capital	20,112,889	10,932,515
	Cash generated from operations	10,814,507	1,894,329
	Direct taxes paid	606,073	50,677
	Net cash from / (used in) Operating Activities (A)	10,208,434	1,843,652
B.	Cash flow from Investing Activities		
	Purchase of fixed assets	(40,000)	(225,820)
	Interest received	7,021	9,298
	Net cash from / (used in) Investing Activities (B)	(32,979)	(216,522)
C.	Cash flow from Financing Activities		
	Net cash from / (used in) Financing Activities (C)	-	-
	Net Increase/(Decrease) in cash and cash equivalents during the year (A+B+C)	10,175,455	1,627,130
	Cash and cash equivalents at the beginning of the year	2,037,133	410,003
	Cash and cash equivalents at the end of the year	12,212,588	2,037,133

See accompanying notes forming part of the financial statements 1 to 31

As per our report of even date

For Deloitte Haskins & Sells

Chartered Accountants



 S Sundaresan
Partner

Place: Bangalore

Date: 05-Sep-2012

For and on Behalf of the Board of Directors




 Raghunath Srinivasan
Director

 Ramesh Ramanathan
Director

Place: Bangalore

Date: 05-Sep-2012



JANALAKSHMI SOCIAL SERVICES

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Notes forming part of the financials

Note 1

1.1 Basis of Accounting

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with provisions of the Companies Act, 1956, and Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

1.2 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

1.3 Revenue Recognition

- (a) Revenue from services is recognized on rendering of services as per the terms of the contract.
- (b) External funded projects: Grants received towards revenue expenses are recognized in the Statement of Profit and Loss on a systematic basis over the period necessary to match them with the related costs which the grants are intended to compensate.
- (c) Interest income is recognised on accrual basis.
- (d) Other income is recognised on accrual basis

1.4 Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its present condition for its intended use.

Grants received towards acquisition of fixed assets are adjusted against cost of the assets.

1.5 Depreciation

Depreciation on Fixed assets is provided on a Straight Line basis, based on Management's estimate of the useful life of the assets, which are as follows:

Assets	Useful Life estimated by the management (years)
Computers	2.5
Computer Software	3

1.6 Impairment of Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of carrying amount of the Company's fixed assets. If an indication exists, the Company provides for impairment loss to the extent the carrying amount of assets exceed their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

1.7 Foreign Currency Transactions:

Foreign currency transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on subsequent fluctuations are accounted on actual payment or realization in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates prevailing on that date; the resultant exchange differences are recognized in the Statement of Profit and Loss.



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Notes forming part of the financials

1.8 Investments

Long-term Investments are carried at cost. Provision for diminution in value of long term investments is made to recognize a decline, which is not temporary.

1.9 Employee Benefits:

Defined Contribution Plan

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, are charged to revenue.

Defined Benefit Plan & Long Term Compensated Absences

The Company accounts for its liability for long term compensated absences and Unfunded Gratuity based on actuarial valuation, as at the Balance Sheet date, determined every year 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 period in which they occur.

Short Term Employee benefits

Short - term employee benefits expected to be paid in exchange for the services rendered by the employees is recognized during the period when the employee renders service.

1.10 Leases

Assets taken as leases on non-cancellable basis, where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

1.11 Income Taxes

Income tax comprises the current tax provision and the net change in the deferred tax asset or liability during the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of the assets and liabilities and their respective tax bases. Deferred tax assets are recognized subject to the management's judgment that realization is virtually certain.

Deferred tax assets and liabilities are measured using enacted tax rates applicable on the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

1.12 Provisions and Contingencies

A provision is recognized when the Company has 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. Contingent Liabilities are not recognized but are disclosed.



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Notes forming part of the financial statements

Note 2**Reserves & surplus:**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	(Rs)	(Rs)
(a) Capital Reserve	1,152,798	1,152,798
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(8,308,312)	761,109
Add: Profit / (Loss) for the year	(9,368,913)	(9,069,421)
Closing balance	(17,677,225)	(8,308,312)
Total	(16,524,427)	(7,155,514)

Movement in Reserves & Surplus is as under:

Particulars	Opening Balance	Addition	Deduction	Closing Balance
(i) Vehicle Revolving Fund - SIDBI (Taken over From Sanghamithra Rural Financial Services)	312,000	-	-	312,000
(ii) SHG Books Fund - SIDBI (Taken over From Sanghamithra Rural Financial Services)	840,798	-	-	840,798
	1,152,798	-	-	1,152,798

Note 3**Long Term Provisions:**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	(Rs)	(Rs)
Provision for employee benefits		
Gratuity:	155,990	66,280
Leave Encashment	329,738	-
Total	485,728	66,280

Note 4**Short-term Borrowings (Unsecured)**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	(Rs)	(Rs)
Inter Corporate Loan - Related Parties Janalakshmi Financial Services (P) Ltd	35,442,638	41,437,944
Total	35,442,638	41,437,944

Note 4A

Inter - corporate loan is repayable on demand and carries interest @ 12% p a



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Notes forming part of the financial statements

Note 5**Trade Payables:**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	(Rs)	(Rs)
(a) Trade Payables		
Due to Micro and Small Enterprises (Note 22)	-	-
Others		
- Cross Domain Solutions (P) Ltd - Related Party	18,296	-
- Others	1,024,859	747,380
Total	1,043,155	747,380

Note 6**Other Current Liabilities:**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	(Rs)	(Rs)
Statutory Liabilities	935,187	1,498,990
MSD Foundataion (Refer Note 6a)	9,615,078	-
Total	10,550,265	1,498,990

Note 6a: MSD Foundation

Particulars	Opening Balance	Addition	Deduction	Closing Balance
MSD Foundation (Revenue grant received)	-	20,262,254	(10,647,176)	9,615,078
	-	20,262,254	(10,647,176)	9,615,078

Note 7**Short Term Provisions:**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	(Rs)	(Rs)
Provision for Employee Benefits:		
Gratuity	429	-
Leave Encashment	47,970	193,365
Total	48,399	193,365



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Notes forming part of the financial statements

Note 10**Long Term Loans & Advances:**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	(Rs)	(Rs)
A) Advance income tax including TDS (Net of Provision Rs 426,391/- (Previous year 426,391))	1,605,393	999,320
Total	1,605,393	999,320

Note 11**Trade receivables (Unsecured and Considered good)**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	(Rs)	(Rs)
Outstanding for more than 6 months	-	-
Others	1,547,044	746,661
Total	1,547,044	746,661

Note 12**Cash and Cash Equivalent:**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	(Rs)	(Rs)
(a) Balances with banks		
In current accounts	2,067,493	2,034,038
(b) Cash on hand	3,095	3,095
(c) Others Balances with banks		
Flexi Deposits	10,142,000	-
Total	12,212,588	2,037,133



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Notes forming part of the financial statements

Note 13

Short-term loans and advances (Unsecured & Considered good)

Particulars	As at 31 March, 2012	As at 31 March, 2011
	(Rs)	(Rs)
(a) Inter - Corporate Loan - Related Party (Refer Note 13a)	15,136,273	31,646,836
(b) Others:		
Staff Advance	230,010	70,614
Security Deposit	-	211,600
Total	15,366,283	31,929,050

Note 13a : Short Term Loans & Advances include debts due from:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	(Rs)	(Rs)
Private companies in which a director is a director or member: Janaadhar Constructions (P) Ltd (Refer Note 24)	15,136,273	31,646,836
	15,136,273	31,646,836

Note 14

Other current assets:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	(Rs)	(Rs)
a) Service Tax Receivable	53,237	53,248
b) Unbilled Revenue	-	702,746
c) Others	13,478	35,000
Total	66,715	790,994

Note 15

Commitment & Contingencies:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	(Rs)	(Rs)
(i) Contingent Liabilities	Nil	Nil
(ii) Commitments	Nil	Nil



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Notes forming part of the financial statements**Note 16****Revenue from Operations:**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	(Rs)	(Rs)
(a) Income from Service as Business Correspondent:		
Acquisition Fee	6,807,850	2,160,100
Data Entry Fee	1,906,198	604,828
Operative Account Fee	2,631,732	95,382
Group Term Life Insurance	209,959	-
Accidental Insurance	346,460	-
(b) Registration Fee	88,160	-
Total	11,990,359	2,860,310

Note 17**Other Income:**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	(Rs)	(Rs)
(a) Interest Income (TDS Rs. 274,082/- (PY Nil))	2,747,808	9,298
(b) Net gain/loss on sale of investments	1,930,037	-
(c) Revenue Grant	10,647,176	-
(d) Rental Income	385,000	163,336
(e) Other non operating Income	53,992	74,646
	15,764,013	247,280

Note 18**Employee Benefits Expenses:**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	(Rs)	(Rs)
(a) Salaries and Wages	18,331,234	6,248,019
(b) Contribution to Provident & Other Funds	1,681,044	1,525,681
(c) Staff Welfare	90,776	71,351
Total	20,103,054	7,845,051



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Notes forming part of the financial statements

Note 19**Finance Costs:**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	(Rs)	(Rs)
Other Borrowing Cost:		
Interest on Inter - Corporate Loan	4,449,728	-
Total	4,449,728	-

Note 20**Other Expenses:**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	(Rs)	(Rs)
Rent	618,052	576,400
Insurance	432,068	-
Maintainence - Building	109,073	-
Rates & Taxes	62,578	2,500
Travelling and Conveyance	3,961,394	1,659,815
Printing and Stationery	67,327	125,323
Postage, Telephone & Courier Charges	820,814	53,318
Legal and Professional Fees	4,227,489	1,558,322
Audit Fee (Refer Note 20a)	100,000	100,000
Office Expenses	43,623	68,270
Project Expenses	1,969,660	-
Miscellaneous Expenses	80,873	43,475
Development & Training expenses	-	87,436
Electricity and water charges	-	16,567
Total	12,492,951	4,291,426

Note 20a : Audit Fees:

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	(Rs)	(Rs)
(a) Statutory Audit Fee (net of service tax input credit)	100,000	100,000
	100,000	100,000



JANALAKSHMI SOCIAL SERVICES

Notes forming part of the financial statements

Note 8A - Fixed assets

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 31 March, 2011	Additions/ (Disposals)	Balance as at 31 March, 2012	Balance as at 31 March, 2011	Depreciation charge for the year	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
A Tangible Assets								
(a) Office equipment								
a) Computer	99,490	-	99,490	19,538	31,981	51,519	47,971	79,952
b) Mobile Phone	-	40,000	40,000	-	3,465	3,465	36,535	-
Total	99,490	40,000	139,490	19,538	35,446	54,984	84,506	79,952
		(99,490)	(99,490)		(19,538)	(19,538)	(79,952)	-

Note 8B - Fixed assets:

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 31 March, 2011	Additions/ (Disposals)	Balance as at 31 March, 2012	Balance as at 31 March, 2011	Depreciation charge for the year	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
B Intangible Assets								
Computer Software	126,330	-	126,330	20,996	42,106	63,102	63,228	105,334
Total	126,330	-	126,330	20,996	42,106	63,102	63,228	105,334
	-	(126,330)	(126,330)	-	(20,996)	(20,996)	(105,334)	-

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REGISTERED ACCOUNTANTS
BANGALORE

JANALAKSHMI SOCIAL SERVICES
Bangalore

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs)		Whether stated at Cost
			2012	2011			2012	2011	2012	2011	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(a)	Investement in Equity Instruments										
	a) Janaadhar Constructions (P) Ltd	Associate	20,000	20,000	Unquoted	Fully Paid	1%	1%	100,000	100,000	Yes
	b) Janalakshmi Financial Services (P) Ltd.	Associate	248,930	249,990	Unquoted	Fully Paid	25%	25%	1	1	Yes
	Total								100,000	100,000	

Aggregate Provision for Diminution in Investment Nil (Previous Year Nil)



Janalakshmi Social Services

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Notes forming part of the Financial Statement

- 21 The Company was incorporated on June 29, 2006 to carry on micro financing activities as permitted by the Reserve Bank of India, and other related activities with the sole objective of promoting the development and economic well being of the urban and rural poor. The Company is limited by guarantee and each member undertakes to contribute to the assets of the Company, in the event of the Company being wound up while he is a member or within one year afterwards, such amounts as stated in the Memorandum of Association of the Company.

During the Financial year 2008-09 company transferred the business of micro finance to M/s. Janalakshmi Financial Services Pvt. Ltd.

Business Correspondent :

On September 4, 2010 Company has entered into an agreement with Axis Bank to provide the service as Business Correspondent. According to which the Bank has authorized to undertake activities relating to the Bank's customer which includes

- acquisition of no frill saving bank account,
- facility of account operation,
- Customer service point etc

- 22 There are no micro enterprises and small enterprises, to whom the company owes dues, which are outstanding as at the Balance Sheet date. The information regarding micro enterprises and small 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.

23 Segment Information:

The Company is engaged only in the business of providing service as Business Correspondent and hence there is no other reportable primary business segment information. There is no reportable secondary geographical segment information as the Company's operations are only in India.



Janalakshmi Social Services

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Notes forming part of the Financial Statement

24 Related Party Disclosures:

Related Party Relationships:

(1) Key Management Personnel:

Mr. Ramesh Ramanathan - Director

(2) Associate Companies:

1. Janalakshmi Financial Services Private Limited
2. Janaadhar Constructions Private Limited
3. Cross Domain Solutions (P) Ltd

Nature and amount of transactions during the year:

Rupees		
Nature of Transactions	31st March 2012	31st March 2011
<u>Janalakshmi Financial Services Private Limited</u>		
Opening payable	41,437,944	29,430,036
Amount received/ Transferred	39,582,450	38,418,613
Amount paid/ Transferred	(45,577,755)	(26,410,705)
Balance Payable	35,442,639	41,437,944
<u>Janaadhar Constructions Private Limited :</u>		
Opening Receivable	31,646,836	29,978,390
Amount paid/ Transferred	3,027,003	1,689,037
Amount received/ Transferred	(19,537,566)	(20,591)
Balance Receivable	15,136,273	31,646,836
<u>Cross Domain Solutions (P) Ltd</u>		
Services Received	133,194	31,891
Amount Outstaning	18,296	-

Note:

- 1) The above information has been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the auditors.
- 2) No amount is/has been written off or written back during the period in respect of debts due from/to related parties.



Janalakshmi Social Services

(Registered under Section 25 of the Companies Act, 1956)

(A Company Limited By Guarantee)

Notes forming part of the Financial Statement

25 Details of benefit, cost and obligation - as per actuarial valuation as on March 31, 2012.

	Gratuity	12(Rs)	(Rs)
I	<u>Components of employers expenses</u>		
1	Current Service Cost	90,139	66,280
2	Interest Cost		
3	Actuarial (Gain)/ Loss		
4	Past Service Cost- Non vested Benefit recognized during the period		
5	Past Service Cost- Vested Benefit recognized during the period		
6	Transitional Liability Recognized during the year		
	Expense Recognized in the statement of Statement of Profit and Loss	90,139	66,280
II	<u>Net Asset/ (Liability) recognized in the Balance Sheet</u>		
1	Fair value of plan asset at the end of the period	-	-
2	Liability at the end of the period	156,419	66,280
3	Difference	(156,419)	(66,280)
4	Unrecognized past service at the end of the period	-	-
5	unrecognized transitional liability at the end of the period	-	-
	Net amount recognized in the Balance sheet	(156,419)	(66,280)
III	<u>Change in Defined Benefit Obligation</u>		
1	Liability at the beginning of the period	-	-
2	Interest cost	-	-
3	Current Service Cost	90,139	66,280
4	Past Service Cost- Non vested benefit	-	-
5	Past Service Cost- Vested benefit	-	-
6	Liability transferred in /(Out)	-	-
7	Benefit Paid	-	-
8	Actuarial (Gain)/ Loss on Obligation	-	-
	Liability at the end of the Period	156,419	66,280
IV	<u>Actuarial Assumptions</u>		
1	Discount Rate	8.50%	8.25%
2	Salary escalation	5.00%	5.00%
3	Attrition Rate	2.00%	2.00%
		LIC (1994-96)	LIC (1994-96)
		Ultimate	Ultimate
4	Mortality	table	table

Note : In the absence of information relating to category wise breakup of Plan Assets and experience adjustments for previous years, the same has not been disclosed.

Defined Contribution:

Particulars	Debited to Statement of Profit & Loss	
	FY 2011-12	FY 2010-11
Provident Fund	1,009,049	491,092

Other Employee Benefits:

Leave salary benefit expensed in the Statement of Profit and Loss for the year is debit of Rs 469,316/- (PY Rs 213,864/-). Liability carried in the Balance Sheet at the year end is Rs 377,708/- (PY Rs 193,365/-)



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Notes forming part of the Financial Statement

26 Operating Leases:

The Company has taken office premises under cancellable operating lease for a period ranging from three years. Lease payments recognized in the statement of profit and loss for the year amounts to Rs.618,052/- (Previous year - Rs. 576,400/-).

Lease receipts recognized in the statement of profit and loss for the year amounts to Rs. 385,000/- (Previous year - Rs. 163,336/-).

27 Quantitative details:

The Company is engaged in rendering of financial literacy and advisory services and activities that promote the development and economic well-being of the target base. These services cannot be expressed in any generic unit and hence quantitative details of sale and the information required under paragraphs 5(ii) of general instruction for preparation of statement of Profit & Loss are not applicable.

28 Foreign Currency:

The company has not incurred any expenditure in Foreign Currency (Previous Year: Rs.Nil) and had received any amount of Rs.20,262,254/- (\$ 390,243.90) in Foreign Currency. (Previous Year: Rs.Nil)

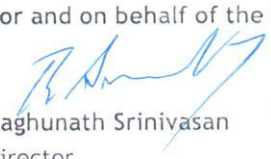
29 Deferred Tax:

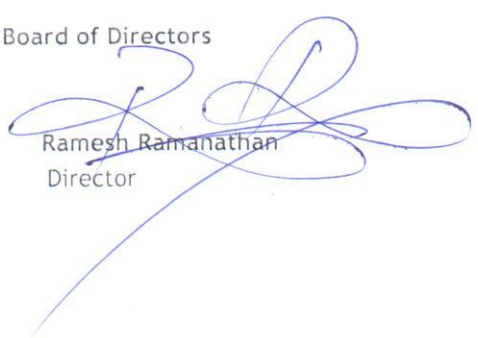
The company has a net Deferred Tax Asset as on March 31, 2012. This has not been recognized in the books in the absence of virtual certainty that sufficient future taxable income will be available against which the deferred tax asset can be adjusted.

30 During the year the Company has received a revenue Grant of Rs.20,262,254(includes interest amount of Rs. 262,254/-) of which, Rs.10,647,176/- (which includes Rs.1,233,134/- utilised during the period Jan 11 to March 11) has been utilised towards expense with a balance Rs. 9,615,078/- pending utilisation.

31 The Schedule VI of the Companies Act, 1956, as amended, has become effective from April 1, 2011 for the preparation of financial statement and accordingly the disclosure and presentation have been made in the financial statement. Previous years figures have been regrouped/reclassified wherever necessary to correspond to the current years classification/disclosure.

For and on behalf of the Board of Directors


Raghunath Srinivasan
Director


Ramesh Ramanathan
Director

Place: Bangalore

Date: 5-Sep-2012

