



**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**HUMANA FINANCIAL SERVICES PRIVATE LIMITED**

**Report on the Financial Statements**

We have audited the accompanying standalone financial statements of **HUMANA FINANCIAL SERVICES PRIVATE LIMITED ("the Company")** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the standalone 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 standalone 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, 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 standalone financial statements

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of Cash Flow Statement, the Cash Flow Statement for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we are giving in the annexure a statement on the matters specified in paragraph 3 and 4 of the order.
2. As required by section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid standalone 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 written representations received from the directors as on March 31, 2019



taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

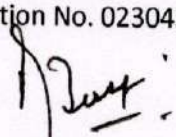
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with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

Place: New Delhi

Dated: 10-05-2019



**For N S B AND Associates**  
Chartered Accountants  
Firm Registration No. 023043N

  
**Nandan Singh Bisht**  
Partner

Membership No 099805

**“Annexure A” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Humana Financial Services Private Limited**

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

We have audited the internal financial controls over financial reporting of Humana Financial Services Private Limited (“the Company”) as of March 31, 2019 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. 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 these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



### **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 March 31, 2019, 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.

Place: New Delhi

Dated: 10-05-2019



**For N S B AND Associates**

Chartered Accountants

Firm Registration No. 023043N

**Nandan Singh Bisht**

Partner

Membership No 099805



**Annexure to the Auditors' Report**

**[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of HUMANA FINANCIAL SERVICES PRIVATE LIMITED on the accounts of the company for the year ended March 31, 2019]**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
  - There was no disposal of a substantial part of fixed assets during the year.
- (ii) In respect of its inventory:
- The company's business does not involve inventories and, accordingly, the requirement therefore sub-clauses (a), (b), & (c) of the order are not applicable to the company.
- (iii) In respect of loans, secured or unsecured, granted to the parties covered in register maintained under section 189 of the Companies Act, 2013:
- According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and therefore paragraph 3(iii) of the Order is not applicable and hence not commented upon
- In our opinion and according to the information and explanation given to us, the company has not granted any loans, Secured or unsecured to companies, firm or other parties covered in the registered maintained under section 301 of the Act and therefore paragraph 3(iv) of order is not applicable hence not commented upon.
- (iv) In our opinion and according to the information and explanation given to us by the company, the company has not accepted any deposits from the public and so the directions issued by the Reserve Bank of India and the provisions of the Act and rules framed there under are not applicable. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (v) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.



- (vi) In respect of statutory dues:
- a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including, Investor Education and Protection Fund, Income-tax, Tax Collected at Source, Professional Tax, Sales Tax, Value Added Tax (VAT), Service Tax, GST, Wealth Tax, EPF, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.
  - b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Sales Tax, VAT, EPF, Service Tax, GST Cess and other material statutory dues in arrears outstanding as at 31 March, 2019 for a period of more than six months from the date they became payable.
  - c) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise as at 31st March, 2019, the Company has been registered for less than 5 years; hence, clause 3(vii) (c) of the Order is not applicable to it.
- (vii) In our opinion and according to the information and explanation given to us by the company, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (viii) The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).
- (ix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (x) According to the information and explanations given to us, during the year the company has paid managerial remuneration amounting to -Rs. NIL/- which is in accordance with the requisite approvals mandated by the provision of section 197 read with schedule 5 to the Companies act 2013.
- (xi) The company is not a Nidhi Company and hence clause XII of the report is not applicable over it.
- (xii) According to the information and explanations given to us by the company, it has disclosed all the related party transactions in the financial statements.




- (xiii) According to the information and explanations given to us by the company there have been no preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xiv) According to the information and explanations given to us by the company, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xv) The Company has obtained a certificate of registration as a Non-Banking Financial Company vide Certificate (NBFC-MFI) N-14.03370 dated August 04, 2017 pursuant to Sec 45IA of the Reserve Bank of India Act, 1934 (2 of 1934).

Place: New Delhi

Date: 10-05-2019

For N S B & ASSOCIATES  
Chartered Accountants  
ICAI Firm's Registration No. 023043N



  
Nandan Singh Bisht  
Partner  
Membership No.: 099805



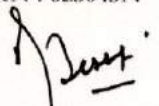
**Humana Financial Service Private Limited**

(Amount in Rupees unless otherwise stated)

Balance Sheet as at	Notes	31-Mar-19	31-Mar-18
<b>Equity and liabilities</b>			
<b>Shareholder's funds</b>			
Share capital	3	6,69,33,840	5,10,00,000
Share Premium Account	4	1,84,35,450	-
Reserves and surplus	5	36,59,293	31,45,402
<b>Non-current liabilities</b>			
Long Term Borrowings	6	6,49,37,629	-
<b>Current liabilities</b>			
Other current liabilities	7	8,85,77,886	11,33,118
Short-term provisions	8	26,70,632	7,43,444
<b>TOTAL</b>		<b>24,52,14,730</b>	<b>5,60,21,964</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	9	1,89,254	1,56,965
Deferred Tax Asset (Net)	10	9,466	538
Other non-current assets	11	1,04,60,038	4,69,026
<b>Current assets</b>			
Cash and cash equivalents	12	5,29,55,154	4,26,62,209
Short-term loans and advances	13	17,97,62,856	86,33,459
Other current assets	14	18,37,962	40,99,767
<b>TOTAL</b>		<b>24,52,14,730</b>	<b>5,60,21,964</b>

Summary of significant accounting policies 1 to 2  
 The accompanying notes are an integral part of the financial statement 3 to 31

As per our report of even date  
**For N S B & ASSOCIATES**  
 Chartered Accountants  
 FRN : 023043N

  
**Nandan Singh Bisht**  
 Partner  
 Membership No. 099805

**For and on behalf of the Board of Directors of**  
**Humana Financial Services Pvt Limited**

  
**Snorre Westgaard**  
 Chairman & Director  
 DIN.No. 02859761

  
**Kailash Khandelwal**  
 Managing Director  
 DIN.No. 03617258

  
**Harsh Ranjan**  
 Company Secretary  
 ACS: 35889

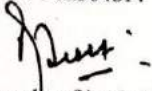
Place: New Delhi  
 Date: 10-05-2019



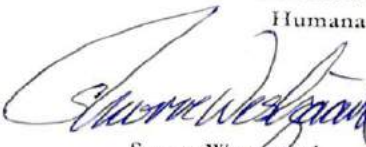
(Amount in Rupees unless otherwise stated)

Statement of profit and loss for the year en	Notes	31-Mar-19	31-Mar-18
<b>Income</b>			
Revenue from operations	15	2,44,65,327	4,33,162
Other income	16	10,73,538	36,55,747
<b>Total revenue (I)</b>		<b>2,55,38,864</b>	<b>40,88,909</b>
<b>Expenses</b>			
Finance costs	17	1,22,69,695	2,578
Employee benefit expense	18	81,00,255	8,67,785
Other expenses	19	19,69,938	6,69,548
Depreciation and amortisation expenses	9	1,13,845	27,994
Provision on loan portfolio		17,07,618	81,444
<b>Total expenses (II)</b>		<b>2,41,61,351</b>	<b>16,49,350</b>
<b>Profit / (Loss) Before prior period adjustments &amp; tax</b>		<b>13,77,513</b>	<b>24,39,559</b>
<b>Prior period adjustments</b>			
<b>Profit before tax (III) = (I)-(II)</b>		<b>13,77,513</b>	<b>24,39,559</b>
<b>Tax expense</b>			
Current tax		8,81,570	6,62,000
Tax for earlier period		(9,020)	-
Deferred tax		(8,928)	(538)
<b>Total tax expense (IV)</b>		<b>8,63,622</b>	<b>6,61,462</b>
<b>Profit/(loss) after tax (III)-(IV)</b>		<b>5,13,891</b>	<b>17,78,098</b>
<b>APPROPRIATION</b>			
Profit brought forward from the previous years Available for appropriation		5,13,891	17,78,098
Transfer to:			
Statutory reserve fund		1,02,778	3,55,620
<b>Balance carried to balance sheet</b>		<b>4,11,113</b>	<b>14,22,478</b>
<b>Earnings per equity share</b>			
[Nominal value of share Rs.10 (March 31, 2018: Rs.10)			
Weighted Average Shares		51,17,462	51,00,000
Basic (Computed on the basis of total profit for the year)		0.10	0.35
Diluted (Computed on the basis of total profit for the year)		0.10	0.35
Summary of significant accounting policies	1 to 2		
The accompanying notes are an integral part of the financial statement	3 to 31		

As per our report of even date  
**For N S B & ASSOCIATES**  
Chartered Accountants  
FRN : 023043N

  
**Nandan Singh Bisht**  
Partner  
Membership No. 099805

For and on behalf of the Board of Directors of  
Humana Financial Service Private Limited

  
**Snorre Westgaard**  
Chairman & Director  
DIN.No.02859761

  
**Kailash Khandelwal**  
Managing Director  
DIN.No. 03617258

  
**Harsh Ranjan**  
Company Secretary  
ACS: 35889

Place: New Delhi

Date: 10-05-2018



(Amount in Rupees unless otherwise stated)

Cash flow statement for the year ended	31-Mar-19	31-Mar-18
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>13,77,513</b>	<b>24,39,559</b>
Non-cash adjustment to reconcile loss before tax to net cash flows		
Depreciation and amortization	1,13,845	27,994
Contingent provision against standard assets	17,07,618	81,444
Previous year adjustment in reserves and surplus	-	-
<b>Operating profit before working capital changes</b>	<b>31,98,976</b>	<b>25,48,997</b>
Movements in working capital :		
Increase / (decrease) in other current liabilities	15,83,077	(2,98,212)
Decrease / (increase) in loans and advances	(17,11,29,397)	(91,22,979)
Decrease / (increase) in other current assets	21,72,647	(13,01,132)
Cash generated from / (used in) operations	<b>(16,41,74,697)</b>	<b>(81,73,325)</b>
Direct taxes paid	(6,52,980)	-
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(16,48,27,677)</b>	<b>(81,73,325)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(1,46,134)	(1,56,965)
Investment in fixed/Security Deposits	(99,01,854)	(7,500)
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(1,00,47,988)</b>	<b>(1,64,465)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of equity share capital	3,43,69,290	-
Long-term borrowings (net)	15,07,99,320	-
<b>Net cash flow (used in) / from in financing activities (C)</b>	<b>18,51,68,610</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>1,02,92,945</b>	<b>(83,37,790)</b>
Cash and cash equivalents at the beginning of the Year	4,26,62,209	5,10,00,000
<b>Cash and cash equivalents at the end of the year</b>	<b>5,29,55,154</b>	<b>4,26,62,209</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	3,734	5,384
With banks		
- in Current account	4,29,51,420	1,03,13,197
- in Fixed Deposits	1,00,00,000	3,23,43,628
<b>Total cash and cash equivalents</b>	<b>5,29,55,154</b>	<b>4,26,62,209</b>
Summary of Significant Accounting Policies	1 to 2	
The Accompanying Notes Are An Integral Part Of The Financial Statement	3 to 31	

As per our report of even date  
For N S B & ASSOCIATES  
Chartered Accountants  
FRN: 023043N

Nandan Singh Bisht  
Partner  
Membership No. 099805

Place: New Delhi  
Date: 10-05-19



For and on behalf of the Board of Directors of  
Humana Financial Services Pvt Limited

Snorre Westgaard  
Chairman & Director  
DIN.No.02859761

Kailash Khandelwal  
Managing Director  
DIN.No. 03617258

Harsh Ranjan  
Company Secretary  
ACS: 35889



**1. Corporate information:**

HUMANA FINANCIAL SERVICES PRIVATE LIMITED ('the Company'), incorporated on July 08, 2016, having CIN: U65990DL2016PTC302788 under Companies Act 2013.

The Company is engaged in the business of providing financial support and carries on the business of Micro credit. HUMANA FINANCIAL SERVICES PRIVATE LIMITED holds a valid certificate of registration no. **N-14.03370** dated **August 04, 2017** issued by the Reserve Bank of India.

The Company is engaged in providing financial services to women, in the rural and semi-urban areas of Uttar Pradesh and Haryana India, who are organized as Joint Liability Groups ('JLG'). The Company provides small value collateral free loans and other loans to women in groups. In the initial stages of group formation and mobilization, the operations also involve efforts on development training, efforts on financial discipline, advice on the micro enterprises carried out by the individual members, and later, constant monitoring through weekly/ monthly meetings.

**2. Significant accounting policies:**

**a. Basis of preparation of financial statements:**

The financial statements have been prepared under historical cost conventions and on accrual system unless stated otherwise elsewhere, assuming the principle of going concern and applying all the accounting standards notified under Companies Act, 2013 and also complying with mandatory accounting standards issued by Institute of Chartered Accountants of India. Various accounting standards and accounting policies are consistently followed by the Company unless stated otherwise.

**b. 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.

**c. Revenue Recognition:**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i. Interest income on loans given is recognised under the internal rate of return method. Income including interest or any other charges on non-performing asset is recognized only when realized. Any such income recognized before the asset became non-performing and remaining unrealized shall be reserved.

ii. Interest income on deposits with banks is recognised on a time proportion accrual basis, taking into account the amount outstanding and the rate applicable.

iii. Loan processing fees collected from members are recognized on an upfront basis.

v. All other income is recognised on an accrual basis.



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**d. Cash Flow Statement:**

Cash Flow Statement is prepared in accordance with the indirect method prescribed in Accounting Standard -3.

Cash & Cash Equivalent Balances are including Fixed Deposits for period over 3 months.

**e. Fixed assets, intangible and related depreciation / amortization:**

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost is inclusive of freight, duties, taxes and other directly attributable costs of bringing the assets to their working condition for intended use, incurred till the date of installation of asset

Depreciation on fixed assets has been provided on written down value method using the rates/lives prescribed as per useful life of assets prescribed under Schedule II of the Companies Act, 2013. Assets individually costing less than ₹5,000 are depreciated fully in the year of purchase.

**f. Borrowing costs**

All borrowing costs are expensed in the period they occur. Borrowing cost includes interest and other costs incurred in connection with the arrangement of borrowings.

**g. Taxation:**

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income-tax Act, 1961), and deferred tax charge. The current charge for income tax is based on estimated tax liability as computed after taking credit for allowances and exemptions in accordance with the Income-tax Act, 1961 applicable for the year ended. In accordance with the Accounting Standard-22, Accounting for Taxes on Income, the Company provided for deferred tax liability for all temporary differences that arise in one accounting year and are capable of reversal in subsequent accounting year.

**h. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

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

**i. Provisions**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.



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**j. Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**k. Cash and cash equivalents:**

Cash and cash equivalents comprise cash at bank and in hand and short-term fixed deposits/ investments.

**l. Classification of loan portfolio:**

i) Loans to JLG are classified as standard assets, sub-standard assets, doubtful assets and loss assets in terms of Master Circular- 'Non-Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs) – Directions (NBFC-MFI Directions) dated July 1, 2015.

ii) Loans and advances other than loans to JLG are classified as standard, sub-standard, doubtful and loss assets in accordance with the Systemically Important Non – Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions.

**m. Provisioning policy for loan portfolio**

i) Unsecured loan portfolio is provided for in accordance with the NBFC-MFI Directions. These Directions require the total provision to be higher of:

(a) 1% of the outstanding loan portfolio or

(b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

ii. All other loans and advances are provided as higher of management estimates and provision in accordance with the NBFC Prudential Norms in accordance with Non – Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions.

**n. Investments:**

No investments have been made by the Company during the year ended March 31, 2019.



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(Amount in Rupees unless otherwise stated)

Notes to financial statements for the year ended 31-Mar-19 31-Mar-18

## Note 3: Share capital

## Authorised:

1,00,00,000 (March 31, 2018: 7,00,00,000) equity shares of Rs.10/- each	10,00,00,000	7,00,00,000
	<b>10,00,00,000</b>	<b>7,00,00,000</b>

## Issued and subscribed:

66,93,384 (March 31, 2018: 51,00,000) equity shares of Rs.10/- each, fully paid up	6,69,33,840	5,10,00,000
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<b>Total issued, subscribed, fully paid-up equity and preference share capital</b>	<b>6,69,33,840</b>	<b>5,10,00,000</b>
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## Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

## Equity Shares

Particulars	31-Mar-19		31-Mar-18	
	No. of Shares	(Rupees)	No. of Shares	(Rupees)
At the beginning of the year	51,00,000	5,10,00,000	51,00,000	5,10,00,000
Issued during the period	15,93,384	1,59,33,840	-	-
<b>Outstanding at the end of the period</b>	<b>66,93,384</b>	<b>6,69,33,840</b>	<b>51,00,000</b>	<b>5,10,00,000</b>

## Details of shareholders holding more than 5% shares in the company

Particulars	31-Mar-2019		31-Mar-2018	
	No. of Shares	% Holding	No. of Shares	% Holding
Humana Trust For Financial Inclusion and Development	50,94,900	76.12%	50,94,900	99.90%
Humana and Planetaid Finance SA	15,93,384	23.81%	-	0.00%
Manoj Kumar Singh	5,100	0.08%	5,100	0.10%

## Note:-

- The company during the financial year has increased its Authorised share capital from Rs. 7,00,00,000/- to Rs. 10,00,00,000/-.
- The company during the financial year has increased its paid up capital from Rs. 5,10,00,000/- to Rs. 6,69,33,840/- by issuing additional 15,93,384 shares at Rs.21.57 per share including premium of Rs. 11.57 per share. All Shares are equity shares.
- The shares issued at a premium of Rs. 11.57 for each which Resulting total of Rs. 1,84,35,450/- in share premium Account.

## Note 4: Share Premium Account

Humana and Planetaid Finance SA	1,84,35,450	-
	<b>1,84,35,450</b>	<b>-</b>

## Note 5 : Reserves and surplus

## Statutory Reserve Fund

Balance at the beginning of the year	3,55,620	-
Add: Additions during the period	1,02,778	3,55,620
<b>Balance at the end of the period</b>	<b>4,58,398</b>	<b>3,55,620</b>

## Surplus/(Deficit) in the statement of profit and loss

Balance at the beginning of the year	27,89,782	13,67,304
Add: Profit (Loss) for the Period	4,11,113	14,22,478
<b>Balance at the end of the period</b>	<b>32,00,895</b>	<b>27,89,782</b>

<b>Total Reserves and Surplus</b>	<b>36,59,293</b>	<b>31,45,402</b>
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Notes to financial statements for the year ended

(Amount in Rupees unless otherwise stated)

	31-Mar-19	31-Mar-18
<b>Note 6: Long-term borrowings</b>		
<b>Term loans</b>		
<b>Secured</b>		
Indian rupee loan from banks		
Indian rupee loan from non banking financial companies	4,09,09,088	
<b>Total</b>	10,98,90,232	
	<b>15,07,99,320</b>	
<b>The above amount includes</b>		
Current Maturities		
Amount disclosed under the head "Other liabilities" (Refer Note 7)	8,58,61,691	
<b>Total</b>		
<b>Disclosure of Repayment Terms</b>	<b>6,49,37,629</b>	

No. of Installments remaining	No. of Installments pending	Rate of Interest (%)	Date of Maturity	Sanctioned Loan	Loan Outstanding on 31.03.2019	Current Maturities
Ananya Finance Inclusive Growth Pvt Ltd	20	15.00	30.09.2020	1,00,00,000	83,33,332	50,00,004
Ananya Finance Inclusive Growth Pvt Ltd	18	15.00	30.09.2020	1,00,00,000	74,99,998	50,00,004
Ananya Finance Inclusive Growth Pvt Ltd	18	15.00	30.09.2020	1,00,00,000	74,99,998	50,00,004
Ananya Finance Inclusive Growth Pvt Ltd	24	15.50	31.03.2021	2,00,00,000	2,00,00,000	1,00,00,000
Ananya Finance Inclusive Growth Pvt Ltd	24	15.50	31.03.2021	1,50,00,000	1,50,00,000	75,00,000
Intellegrow-Jain Sons Finlease Ltd.	13	16.00	10.04.2020	2,00,00,000	1,65,56,904	1,51,79,855
IDFC Bank	27	14.50	01.06.2021	5,00,00,000	4,09,09,088	1,81,81,824
Maanaveeya Development and Finance Pvt. Ltd.	7	15.00	25.10.2020	4,00,00,000	3,50,00,000	2,00,00,000
					<b>15,07,99,320</b>	<b>8,58,61,691</b>

Note:

1. Loans are secured by exclusive charge on micro finance standard assets portfolio receivables and cash collaterals as per the terms and conditions of respective agreement.

Particulars

31-Mar-19 31-Mar-18

<b>Note 7: Other liabilities</b>		
Employee benefit payable		
Payable to Employee	9,65,953	1,76,994
Expenses and other payable	29,065	
Audit Fee Payable	6,11,995	9,09,798
Current Maturities of Long Term Loans	90,000	
Interest accrued but not due on borrowings	8,58,61,691	
Statutory dues payable	8,12,103	
<b>Total</b>	<b>2,07,079</b>	<b>46,326</b>
	<b>8,85,77,886</b>	<b>11,33,118</b>
<b>Note 8: Short-term provisions</b>		
Provision for income tax		
Provision on standard loan portfolio	8,81,570	6,62,000
<b>Total</b>	<b>17,89,062</b>	<b>81,444</b>
	<b>26,70,632</b>	<b>7,43,444</b>



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Humana Financial Service Private Limited

Note 9: Fixed Assets

(Amount in Rupees unless otherwise stated)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2018	Additions	Deletions	31-Mar-19	As At April 1, 2018	For the Period	Deletions	Total	31-Mar-19	As at March 31, 2018
Furniture and Fixtures	51,400	31,980	-	83,380	3,901	17,076	-	20,977	62,403	47,499
Office Equipments	13,729	-	-	13,729	1,814	5,427	-	7,241	6,488	11,915
Computers & Peripherals	1,19,830	1,14,154	-	2,33,984	22,279	91,342	-	1,13,621	1,20,363	97,551
<b>TOTAL</b>	<b>1,84,959</b>	<b>1,46,134</b>	<b>-</b>	<b>3,31,093</b>	<b>27,994</b>	<b>1,13,845</b>	<b>-</b>	<b>1,41,839</b>	<b>1,89,254</b>	<b>1,56,965</b>

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Humana Financial Service Private Limited

(Amount in Rupees unless otherwise stated)

Notes to financial statements for the year ended 31-Mar-19 31-Mar-18

**Note 10: Deferred Tax Liability / (Asset)**

Balance at the beginning of the year	(538)	-
Differences in Depreciation & Amortisation for Accounting & Income Tax Purposes	(34,338)	(2,090)
Deferred Tax Liability / (Asset)	(8,928)	(538)
<b>Total</b>	<b>(9,466)</b>	<b>(538)</b>

**Note 11: Other Non-Current Assets**

Preliminary Expenses	5,50,684	4,61,526
Security Deposit-Rent	13,000	7,500
Cash Collateral against Borrowings	78,96,354	-
Long Term Maturity of Term Deposits	20,00,000	-
<b>Total</b>	<b>1,04,60,038</b>	<b>4,69,026</b>

**Note 12: Cash and bank balances**

**Cash and cash equivalents**

Cash in hand	3,734	5,384
Balance with bank - in current account	4,29,51,420	1,03,13,197
<b>Total (A)</b>	<b>4,29,55,154</b>	<b>1,03,18,581</b>

**Other bank balances**

Term Deposits* (*Rs. 20,00,000/- is lein marked)	1,20,00,000	3,23,43,628
<b>Total (B)</b>	<b>1,20,00,000</b>	<b>3,23,43,628</b>

Amount disclosed under non-current assets (note 11)

	(20,00,000)	-
<b>Total (A+B)</b>	<b>5,29,55,154</b>	<b>4,26,62,209</b>

**Note 13: Short-Term Loans and Advances**

**A. Portfolio Loans**

**Micro finance loans under Joint Liability Group**

Unsecured, considered good	17,89,06,250	81,44,393
<b>Total (A)</b>	<b>17,89,06,250</b>	<b>81,44,393</b>

**B. Advances recoverable in cash or kind**

Unsecured, considered good	7,22,717	1,12,502
<b>Total (B)</b>	<b>7,22,717</b>	<b>1,12,502</b>

**C. Other loans and advances**

Advance Salaries	13,334	-
Imprest with Staff	20,492	-
TDS Recoverable	1,00,063	3,76,564
<b>Total (C)</b>	<b>1,33,889</b>	<b>3,76,564</b>
<b>Total (A+B+C)</b>	<b>17,97,62,856</b>	<b>86,33,459</b>

**Note 14: Other current assets**

Interest Accrued on Portfolio	11,68,453	58,261
Interest Accrued on Deposits	1,11,569	37,64,506
Advance Tax	5,57,000	2,77,000
Prepaid Expenditure	940	-
<b>Total</b>	<b>18,37,962</b>	<b>40,99,767</b>



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Humana Financial Service Private Limited

(Amount in Rupees unless otherwise stated)

Notes to financial statements for the year ended	31-Mar-19	31-Mar-18
<b>Note 15: Revenue from operations</b>		
<b>Interest income</b>		
Interest income on portfolio loans	2,17,27,127	1,29,614
<b>Other operating revenue</b>		
Processing fee on portfolio loans	27,38,200	83,746
Business Commission	-	2,19,802
<b>Total</b>	<b>2,44,65,327</b>	<b>4,33,162</b>
<b>Note 16: Other income</b>		
Interest on fixed deposits	9,88,052	36,55,747
Interest on Security Deposits	76,636	-
Sale of Assets	8,850	-
<b>Total</b>	<b>10,73,538</b>	<b>36,55,747</b>
<b>Note 17: Finance costs</b>		
Bank charges	2,42,947	2,578
Interest on Loan	1,03,75,948	-
Loan Processing, Stamping and Legal Fee	16,50,800	-
<b>Total</b>	<b>1,22,69,695</b>	<b>2,578</b>
<b>Note 18: Employee benefit expenses</b>		
Salaries and bonus / incentives	74,85,625	8,44,358
Contribution to Provident Fund	2,62,417	20,377
ESI Expenses	1,94,164	-
Staff Insurance	54,081	-
Staff welfare expenses	1,03,968	3,050
<b>Total</b>	<b>81,00,255</b>	<b>8,67,785</b>
<b>Note 19: Other expenses</b>		
Travelling, Boarding & Lodging Expenses	1,18,664	8,405
Rent	3,43,164	24,900
Repairs and Maintenance	5,734	20,228
Printing and stationery	3,05,906	70,218
Statutory Filing & Registration Fee	53,222	610
Professional and consultancy charges	1,25,315	61,078
Stipends	30,000	-
Sitting Fee to Directors	1,30,000	40,000
Auditor's Fee / Reimbursement*	1,21,820	75,000
Insurance Charges	23,257	5,330
Telephone & Internet	22,874	5,515
Electricity and Water Expense	36,917	-
Miscellaneous Expense	62	-
CMS Expense	29,995	-
Due Diligence Expense	24,634	-
Branch Establishment Expense	37,327	-
Interest on Late deposit of GST	14,233	-
Interest on Late deposit of Income Tax	13,954	44,017
Postage & Courier	14,434	165
Preliminary Expense w/off	1,53,842	1,53,842
Rating & CB Expense	1,23,335	42,000
GST Not Eligible for Input	1,82,480	29,025
Other / Office Expenses	58,769	6,150
Honorarium	-	83,065
<b>Total</b>	<b>19,69,938</b>	<b>6,69,548</b>
<b>*Auditor's remuneration</b>		
As auditor:		
Audit fees	1,00,000	75,000
In other capacity:		
Certification fees	20,000	-
Reimbursement of expenses	1,820	-
<b>Total</b>	<b>1,21,820</b>	<b>75,000</b>



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**20. Segment information**

The Company operates in a single reportable segment i.e. lending to loan members, which have similar risks and returns for the purpose of AS 17 on 'Segment Reporting' specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company operates in a single geographical segment i.e. domestic.

**21. AS-18 (Related Party)**

Sr. No.	Name	Current Year	Previous Year	Remarks
1.	<b>Remuneration to Directors</b>			
	Kailash Khandelwal	3,00,000	83,065	Remuneration
	Pradyuman Singh Rawat	1,30,000	40,000	Sitting Fee
	<b>Total</b>	<b>4,30,000</b>	<b>1,23,065</b>	
2.	<b>Humana People to People India</b>	<b>1,12,300</b>	-	MIS Service Charges
3.	<b>Humana People to People Microfinance</b>	<b>8,15,910</b>	-	
	<b>Total</b>	<b>13,58,210</b>	<b>1,23,065</b>	

**22. Capital and other commitments**

Estimated amount of contracts remaining to be executed on capital account not provided for: Rs. Nil (Previous year: Nil)

**23. Contingent Liability for the year ended - Nil.****24. Earnings per share**

Particulars	For the year ended March 31, 2019	For the period ended March 31, 2018
<b>Total equity shares (in numbers)</b>	<b>66,93,384</b>	<b>51,00,000</b>
Basic weighted average number of equity shares during the year (A)	51,17,462	51,00,000
Profit / (loss) available for equity shareholders (B)	5,13,891	17,78,098
<b>Basic and diluted earnings / (loss) per equity share (Rs.) (C) = (B)/(A)</b>	<b>0.10</b>	<b>0.35</b>

**25. Loan Portfolio Classification and Provisions for Non-Performing Assets:**


**Notes to financial statements for the year ended March 31, 2019**

(Amount in Rupees)

Loan & Advances Classification and Provisions thereon, Classifications of Loans and Provision and Provision made for Standard/Sub-Standard/ Doubtful/ Loss assets are given below:

S. No.	Assets Classification	Amount Rs.	Provision %	Current Year Provision Amount Rs.	Previous Year Provision Amount Rs.
1	Standard	17,86,61,569	1%	17,86,616	81,444
2	Sub-standard	2,44,681	1%	2,446	Nil
	<b>Total</b>	<b>17,89,06,250</b>		<b>17,89,062</b>	<b>81,444</b>

26. Depreciation for the year ended Rs. 1,13,845/- (Previous Year Rs. 27,944/-).

27. NBFC-MFI activities of the company started from January 22, 2018 i.e. after obtaining license from Reserve Bank of India on August 04, 2017.

**28. Deferred Tax:**

In accordance with Accounting Standard- 22 "Accounting for Taxes on Income" the Company has recognized Rs. 9,380/- (Previous Year Rs. 538) as deferred tax credit as detailed below:

Particulars	Deferred tax Assets/Liabilities as on April 1, 2018	Current Period (credit)/ change	Deferred tax Assets/(Liabilities) as on Mar 31, 2019
Difference between book and tax depreciation	538	34,338	9,380
Provision on Loans	NIL	NIL	NIL
<b>Net Deferred tax Assets/(Liabilities)</b>	<b>538</b>	<b>NIL</b>	<b>9,380</b>

**29. Additional disclosures**

**a. Capital to Risk Assets Ratio ('CRAR'):**

Particulars	March 31, 2019	March 31, 2018
i) CRAR (%)	47.46%	426.81%
ii) CRAR – Tier I Capital (%)	46.47%	426.17%
iii) CRAR – Tier II Capital (%)	0.99%	0.64%

**b. Derivatives:**

The Company has not entered into any forward rate agreements, interest rate swaps and exchange traded interest rate derivatives. Hence, no disclosure has been made for the same.

The Company has no unhedged foreign currency exposure as on March 31, 2019 (March 31, 2018: Nil).

**c. Disclosures relating to Securitisation:**



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**Notes to financial statements for the year ended March 31, 2019**

*(Amount in Rupees)*

The Company has not entered into any securitisation transactions during the current and previous year and had no outstanding securitisation transaction for earlier years. Hence, no disclosure has been made for the same.

**d. Details of financial assets sold to securitisation / reconstruction company for asset reconstruction:**

The Company has not sold financial assets to Securitisation / Reconstruction companies for asset reconstruction in the current and previous year.

**e. Details of assignment transactions undertaken:**

The Company has not undertaken assignment transactions in the current and previous year.

**f. Details of non-performing financial assets purchased / sold:**

The Company has not purchased / sold non-performing financial assets in the current and previous year.

**g. Exposures:**

The Company has no exposure to the real estate sector and capital market directly or indirectly in the current and previous year.

**h. Registration obtained from other financial sector regulators:**

The Company is registered with following other financial sector regulators (*Financial regulators as described by Ministry of Finance*):

Reserve Bank of India vide **Certificate No N-14.03370** dated August 04, 2017

**i. Disclosure of penalties imposed by RBI and other regulators:**

No Penalties were imposed by RBI and other regulators during current and previous year.

**j. Following ratings assigned by credit rating agencies and migration of ratings during the year:**

Sr. No.	Rating by/ rating for	Rating assigned during the year	Previous Rating
1	CRISIL	BB/Stable not renewed	NIL
2	ICRA	M3+	NIL

**k. Ratings assigned by credit rating agencies and migration of ratings during the year: Refer note 29(j)**

**l. Provisions and Contingencies (shown under the head expenditure in Statement of Profit and Loss)**

Particulars	March 31, 2019	March 31, 2018
Provision made towards Income tax	8,81,570	6,62,000
Provision towards NPA	-	-
Provision for Standard Assets	17,89,062	81,444



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## m. Draw down from Reserves:

There is no draw down from reserves.

## n. Concentration of Advances, Exposures and NPAs:

Particulars	March 31, 2019	March 31, 2018
<b>Concentration of Advances</b>		
Total advances to twenty largest borrowers	8,00,000	6,00,000
(%) of advances to twenty largest borrowers to total advances		
<b>Concentration of Exposures</b>		
Total exposure to twenty largest borrowers/customers		
(%) of exposure to twenty largest borrowers/customers to total exposure		
<b>Concentration of NPAs</b>		
Total exposure to top four NPA accounts	47,944	-

## o. Sector-wise NPAs

Sector	(%) of NPAs to total advances in that sector as at March 31, 2019	(%) of NPAs to total advances in that sector as at March 31, 2018
Agriculture and allied activities	0.00%	0.00%
MSME	0.00%	0.00%
Corporate borrowers	0.00%	0.00%
Services	0.00%	0.00%
Unsecured personal loans	0.14%	0.00%
Auto loans	0.00%	0.00%
Other personal loans	0.00%	0.00%

## p. Disclosure of Customer Complaints

Particulars	No. of complaints
(i) No. of complaints pending at the beginning of the year	-
(ii) No. of complaints received during the year	-
(iii) No. of complaints redressed during the year	-
(iv) No. of complaints pending at the end of the year	-

The Company has a Customer Grievance Redressal Mechanism for convenience of customers to register their complaints and for the Company to monitor and redress them.



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**Notes to financial statements for the year ended March 31, 2019**

(Amount in Rupees)

**q. Information on instances of fraud**

Instances of fraud for the year ended March 31, 2018:

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount written-off
Cash embezzlement	Nil	Nil	Nil	Nil

Instances of fraud for the year ended March 31, 2019:

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount written-off
Cash embezzlement	Nil	Nil	Nil	Nil

r. Outstanding of loans against security of gold as a percentage to total assets is Nil (March 31, 2019: Nil).


**s. Information on Margin:**

Sr. No.	Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
1	Average Interest charged	21.66	24.64%
2	Average effective cost of borrowing	13.77	NIL
	Margin (1-2)	7.89	24.64%

30. There are no micro and small enterprises to whom the Company owes dues, which are outstanding for more than 45 days on the date of Balance Sheet. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. The Auditors have relied this upon.

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

**For N S B & ASSOCIATES**  
Chartered Accountants  
ICAI Firm's Registration Number :  
023043N

  
Nandan Singh Bisht  
Partner

Membership No. 099805

**For and on behalf of the Board of Directors of**  
Humana Financial Services Private Limited

  
Snorre Westgaard  
Chairman & Director  
DIN.No.02859761

  
Kailash Khandelwal  
Managing Director  
DIN 03617258

  
Harsh Ranjan  
Company Secretary  
ACS: 35889

Place: New Delhi

Date: 10-05-19

