



# Jagaran Microfin Private Limited

To  
The Manager  
Bombay Stock Exchange Ltd  
Floor 25, P.J Towers,  
Dalal Street, Mumbai  
400 001, India

**Sub: Annual Report of the Company for the FY 2022-23**

Dear Sir/ Madam

**Scrip Code: 959127**

**Old ISIN - INE01HK07026**

**New ISIN - INE01HK07034**

Pursuant to Regulation 53(2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we submit the copy of the Annual Report for the FY 2022-23.

We would request you to take the same on records.

Thanking you,

Yours sincerely,  
For Jagaran Microfin Private Limited

Tanusree Ghosh  
Company Secretary and Compliance Officer  
16.10.2023



info@jagaranmf.com



033 2262 8207



www.jagaranmf.com



Head Office: 38, Hemanta Basu Sarani, 5<sup>th</sup> Floor, Kolkata-700001



**Jagaran Microfin Private Limited**

**ANNUAL REPORT**

**FOR FY 2022-23**



## **INDEX**

**1) NOTICE OF 13TH ANNUAL GENERAL MEETING**

**2) BOARD REPORT TO MEMBERS**

**3) INDEPENDENT AUDITORS REPORT**

**4) FINANCIAL STATEMENTS**



### **AGM NOTICE**

Notice is hereby given that the 13<sup>th</sup> Annual General Meeting of the shareholders of Jagaran Microfin Private Limited (the 'Company') will be held on **Monday, September 25, 2023 at 1100 hours** at the registered office of the company situated at **5<sup>th</sup> Floor, 38 Hemanta Basu Sarani, Kolkata – 700001** to transact the following businesses :

#### **ORDINARY BUSINESS**

**1. To adopt the audited Standalone Financial Statements for the financial year ended on March 31, 2023**

To receive, consider and adopt the audited Standalone Financial Statements of the company Together with the report of the Auditors' and Board of Directors Report thereon for the financial year ended on March 31, 2023.

To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **ordinary resolution** –

**"RESOLVED THAT** the audited Standalone Financial Statements comprising Statement of Profit & Loss of the company for the financial year ended on March 31, 2023, the Balance Sheet as at that date and Cash Flow Statement financial year ended on March 31, 2023 together with the Notes as annexed thereto and the Auditors' Report dated May 12, 2023 and the Board of Directors' Report thereon, as circulated to the shareholders of the company and submitted to this meeting, be and the same are hereby received and adopted."

**2. To re-appoint a director**

To re-appoint a director in place of Mr Sandip Das (DIN – 09345602), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, seeks re-appointment

To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **ordinary resolution** –

**"RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, the approval of the members of the company be and is hereby accorded to the re-appointment of Mr Sandip Das(DIN – 09345602), as a Director to the extent that he is require to retire by rotation."

By order of the Board  
For Jagaran Microfin Private Limited

Tanusree Ghosh  
Company Secretary



Registered Office :  
5<sup>th</sup> Floor, 38 Hemanta Basu Sarani,  
Kolkata – 700001  
Dated : 01.09.2023

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**NOTES :**

- A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy not be a member of the company. Proxies in order to be effective must be received by the company at its Registered Office not less than 48 hours before the meeting.
- A body corporate being a member shall be deemed to be personally present at the meeting if represented in accordance with the provisions of Section 113 of the Companies Act, 2013. The representative so appointed, shall have the right to appoint a proxy.
- Corporate shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a copy of its board resolution/authorisation, etc., authorising their representative to attend the AGM on its behalf.
- Members/proxies/authorized representatives are requested to submit the attendance slips duly filled in for attending the meeting. Members are requested to write their folio number in the attendance slip for attending the meeting.
- At the ensuing Annual General Meeting, Mr Sandip Das (DIN – 09345602), retire by rotation and being eligible, offer himself for re-appointment.
- Pursuant to section 20(2) of the Companies Act, 2013 read with rule 35 of the Companies (Incorporation) Rules, 2014, as amended, Companies are permitted to send official documents to their shareholders electronically.
- Members are requested to kindly notify the Company of any changes in their addresses/email address so as to enable the Company to address future communication to their correct addresses.



**BOARD REPORT TO MEMBERS**  
**For the Financial Year ended on 31<sup>st</sup> March, 2023**

Dear Members,

The Board of Directors is pleased to present the **13<sup>th</sup>** Board Report along with the audited financial statement of your Company, registered with the Reserve Bank of India (RBI) dated 27<sup>th</sup> September, 2013, under the provisions of the **NBFC (Reserve Bank of India) Directions, 1998, as a Non-Deposit Accepting NBFC-MFI vide Registration No. B.05.00998.**

In the Financial year **2022-23**, our return to a state of balance was arduous but rewarding. Post the COVID-19 pandemic, your Company, reinforced by more than a decade of experience, created resilient mechanisms of sustenance as well as new opportunities of revival to bolster all those who consider it a beacon of hope and a harbinger of change. Indeed, this Financial Year your Company witnessed the dawn of a new era marked by increased demand, increasingly digitalised operations, technology-aware stakeholders and an optimistic economy. It accrued profits without compromising on the material and social well-being of our stakeholders.

Over the years, our nation's microfinance sector has evolved and become more systematic through the regulatory framework issued by the RBI and the Industry Code of Conduct formulated by the SROs. Moreover, the sector's changing dynamics (once dominated by NBFC-MFIs, it is currently witnessing other institutions that are progressively growing in terms of market share) have encouraged the development of the Code for Responsible Lending, a voluntary code for all lenders operating in the microfinance sector. In March 2022, the Reserve Bank of India issued a New Regulatory Framework for Microfinance Loans, which provides a level playing field to all lenders operating in this sector by outlining a common set of regulations for them. Undoubtedly, this framework will sustain the growth trajectory of MFIs in the coming years.

Your Company successfully implemented the New Regulatory Framework in the field by adopting the relevant policies pertaining to the pricing of loans and other charges, training its members regarding the accurate income assessment of households, etc. It also successfully adopted the RBI Scale Based Regulation which covers the governance standards and prudential regulations of microfinance entities.

Moreover, your Company expanded its outreach to acquire new customers, develop new funding relationships besides catering to increased credit requirements precipitated by the gradual revival of the semi-urban and rural economies of Eastern India. On that note, your Company acknowledges and offers its deepest gratitude to its employees who have devoted their time, effort, blood and sweat to ensure that, your Company comes out stronger, more prepared and more stable. Your Company also hopes and expects to have the support and goodwill of its stakeholders so that it can further enhance its performance in the future.

**1. FINANCIAL RESULTS OF YOUR COMPANY**

Your Board of Directors are continuously searching and outlining new avenues for future growth of your Company.

The audited financial statement for the Financial Year 2022-23 has been prepared in accordance with IND AS 109.

Financial Results of your Company for the Financial Year 2022-23 are summarized as below

## Financial Results

(INR in lakhs)

Particulars	Financial Year (2022-23)	Financial Year (2021-22)
<b>Profit before Tax Depreciation &amp; Provision</b>	403.92	550.87
Less: Depreciation	47.16	36.87
Provision as per RBI norms	-	-
Profit/(Loss) before Tax	<b>356.76</b>	<b>514</b>
Less: Provision for Taxation	-	-
Current Tax	-	-
Deferred Tax	60.95	149.35
<b>Profit/(Loss) after Tax</b>	<b>295.81</b>	<b>364.65</b>
Other Comprehensive Income adjustments	(4.88)	1.50
Profit/(Loss) transferred to Reserve	<b>290.93</b>	<b>366.15</b>
Profit Brought forward	2480.84	2187.62
Amount available for Appropriation	2771.77	2553.77
Appropriations	-	-
Transfer to Statutory Reserve	(59.16)	(72.93)
Dividend Paid	-	-
Corporate Dividend Tax	-	-
Balance Carried to Balance Sheet	2712.61	2480.84
<b>Liabilities and Equity</b>		
<b>Financial Liabilities</b>		-
Payables	7.39	64.07
Debt Securities	1929.31	4304.74
Borrowings	30015.69	23992.03
Subordinated Debt	500.42	500.42
Other Financial Liabilities	1725.49	188.67
<b>Non-Financial Liabilities</b>		
Current Tax Liabilities(Net)	-	-
Provisions	119.11	108.21
Other Non-financial liabilities	56.78	34.76
<b>Equity</b>		
Equity Share Capital	5129.62	4829.62
Other Equity	5132.52	4541.59
<b>Total Liabilities and Equity</b>	<b>44616.33</b>	<b>38,564.11</b>
<b>Assets</b>		
<b>Financial Assets</b>		
Cash and Cash equivalents	2133.33	3159.72
Bank balances other than Cash/Cash equivalents	4566.15	4197.20
Trade Receivables	68.57	-
Loans	33887.69	29743.96
Other Financial Assets	2815.29	288.32
<b>Non-Financial Assets</b>		
Current Tax Assets(Net)	217.36	155.53
Deferred Tax Assets(Net)	793.46	852.53
Property, Plant and Equipment	38.51	66.20
Other intangible Assets	22.78	25.79

<i>Other Non-financial Assets</i>	<i>73.19</i>	<i>74.86</i>
<b>Total Assets</b>	<b>44616.33</b>	<b>38,564.11</b>

## 2. REVIEW OF THE BUSINESS OPERATIONS

<i>Particulars</i>	<i>Financial Year (2022-23)</i>	<i>Financial Year (2021-22)</i>
<i>Number of branches</i>	<i>134</i>	<i>135</i>
<i>Number of borrowers</i>	<i>1,45,959</i>	<i>1,46,546</i>
<i>Number of employees</i>	<i>720</i>	<i>787</i>
<i>Number of states</i>	<i>5</i>	<i>5</i>
<i>Number of districts</i>	<i>32</i>	<i>33</i>
<i>Number of villages</i>	<i>3910</i>	<i>3815</i>
<i>Amount disbursed (lakhs)</i>	<i>34056.10</i>	<i>20844</i>
<i>Gross Portfolio outstanding ( lakhs)</i>	<i>34131.96</i>	<i>30522.01</i>

## 3. DIVIDEND

The Board of Directors of your Company after considering the relevant circumstances comprehensively have decided that it would be prudent not to recommend any dividend for the Financial Year 2022-23.

## 4. AMOUNT TRANSFERRED TO STATUTORY RESERVE

During the year under review your Company have incurred profit and accordingly amount of INR 59.16 lakhs was transferred to the Statutory Reserve as required (20% of Profit after tax) under Section 45-IC of RBI Act, 1934.

## 5. CAPITAL ADEQUACY

Your Company maintained a healthy **Capital Adequacy Ratio (CRAR) of 23.47%**, as accounted on 31<sup>st</sup> March, 2023. The minimum capital adequacy requirement by RBI is 15%.

## 6. RESOURCE MOBILIZATION

Your Company's funding base is well diversified with a good mix of private banks, public sector banks, financial institutions (FIs) and NBFCs. As on 31<sup>st</sup> March, 2023, your Company has funding relationships with 27 lenders. Its funding profile comprises of bank loans with an exposure of 55.42%, FIs/NBFCs with an exposure of 37.21%, debentures with an exposure of 5.85%, & subordinated debt with an exposure of 1.52%.

In the Financial Year 2022-23, your Company raised INR.26100 lakhs, 30% higher than what it was in the Financial Year 2021-22. It added 6 new lenders.

Your Company also opted for an undrawn sanction of INR. 8700 lakhs that, when disbursed in the current fiscal, will ensure its further growth.

Further, your Company also started new relationship pertaining to BC & Co-lending. Your Company has received a Co-lending sanction of INR. 4800 Lakhs from Ananya Finance out of which INR. 2400 Lakhs was received in the Financial Year 2022-23(a further sanction of INR. 2400 Lakhs has been



received in the current Financial Year). Your Company also received a draft sanction of co-lending from SBI to the tune of INR. 10000 Lakhs, extendable up to INR. 50000 Lakhs.

Additionally, Your Company ventured into the BC business wherein it received a sanction of INR. 2500 lakhs from CSB Bank, a sanction of INR.3000 lakhs from Jana Small Finance Bank and a sanction of INR.1000 lakhs from Avanti. Your Company's outstanding of total BC business was INR.1016 lakhs as on 31<sup>st</sup> March, 2023. Hence, your Company has a huge potential to expand the BC business in this fiscal year. In the future it plans to take these relationships forward by setting even greater goals.

## 7. REGULATORY AUTHORITIES

Your Company is governed by the rules and regulations set by **Reserve Bank of India (RBI)**, **Securities and Exchange Board of India (SEBI)** and **Ministry of Corporate Affairs (MCA)** as applicable. Your Company continues to follow and comply with the same. Moreover, being a member of **Microfinance Institution Network (MFIN)**, your Company follows and complies with the Code of Conduct, standards and rules prescribed by the **self-regulatory organization (SRO)** time to time.

## 8. CHANGE IN NATURE OF BUSINESS

There has been no change in the nature of business of your Company in the Financial Year 2022-23. Your Company is continuing with its primary goal of lending to women in semi urban and rural areas as per the Joint Liability Group (JLG) model only.

## 9. CAPITAL INFUSION

The Board of Directors of your Company allotted 30,00,000 number of equity shares on preferential basis at the face value of INR 10.00 with a premium of INR 10.00 on each share based on valuation report as against the total application money received, to the existing members of your Company namely as mentioned in the table below:

Name of members	Number of equity shares allotted(Nos)	Amount Received (INR.)
Ms. Abira Majumder	10,00,000	2,00,00,000
Ms. Aatreyee Majumder	10,00,000	2,00,00,000
Mr. Adipta Majumder	10,00,000	2,00,00,000
<b>Total</b>	<b>30,00,000</b>	<b>6,00,00,000</b>

## 10. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF YOUR 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.

In the period mentioned above, no material changes in the nature of your Company's business or commitments have taken place which may have affected its financial position.

## 11. GRADING AND CREDIT RATING

Your Company's financial prudence and discipline is reflected in the credit ratings attributed to your Company for the financial year that ended on 31<sup>st</sup> March, 2023 by rating agencies. The report on the rating and grading is summarised in the table below:

Grading Information			
Sl No.	Category	Grading agency	Grading Scale
1.	Grading	CRISIL	mfR3

Rating Information				
SI No.	Category	Rating agency	Rating Scale	Degree/Outlook
2.	Rating	Acuite	BBB	(-)/Negative
	Rating	ICRA	BB	(+)/Stable

COCA Assessment			
SI No.	Category	Grading agency	CoCA Grade
3.	Code of Conduct Assessment	SMERA	C2

## 12. CAPLTAL STRUCTURE: RAISING OF FUNDS/ INFUSION OF EQUITY CAPITAL

The capital structure of your company is given under:

### Equity

Authorized Share Capital	Issued, Subscribed and Paid-up Share Capital
INR. 75,00,00,000.00	INR. 51,29,62,000.00

**Equity:** Fresh Equity Shares were issued to the existing shareholders (promoter) during the Financial Year 2022-23 under review.

**Non- Convertible debenture:** No fresh NCDs were issued during the Financial Year 2022-23 under review.

## 13. DETAILS OF SUBSIDIARY, ASSOCIATE AND JOINT VENTURE OF YOUR COMPANY

Your Company did not initiate any subsidiary, associate and joint venture during the period under review.

## 14. PUBLIC DEPOSITS

Your Company is a non-deposit NBFC-MFI; it has not received or accepted any deposit and has maintained its non-acceptance of public deposits as part of its NBFC status. Its financials do not contain any figures that come under the definition of deposits as specified under Chapter V of the Companies Act, 2013. As per Non-Banking Finance Companies RBI Directions, 1998, the Board of Directors hereby report that, your Company did not accept any public deposits during the year under review and did not have any outstanding public deposits at the end of the same.

## 15. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186

Your Company is a Non-Banking Financial Company classified as NBFC-MFI and its principal business is to provide small ticket loans to the economically disadvantaged sections of society, mainly women from rural and semi-urban areas. Hence, Section 186 is not applicable to your Company. Details of Loans and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in the Notes to the Financial Statements. In summary, your Company has not provided any guarantee under Section 186.

## 16. CHANGES IN THE COMPOSITION OF BOARD OF DIRECTORS

- Mr. Subrata Gupta has been appointed as Independent Director of your company, to hold office for a term of five consecutive year commencing from 11<sup>th</sup> April, 2022 to 10<sup>th</sup> April, 2027.

- Mr. Sandip Das has been appointed as Non-Executive Non-Independent Director of your Company with effect from 11<sup>th</sup> April, 2022
- Ms. Shanta Ghosh has resigned from the position of Independent Director of your Company's Board of Directors and Committee/s with effect from 09<sup>th</sup> February, 2023.

## **17. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. Sandip Das, Non-Executive Non-Independent Director retired by rotation in terms of Section 152 of the Companies Act, 2013 and, being eligible for the post, offered himself for re-appointment as Director of your Company. A declaration under Section 164 (2) of the Companies Act, 2013 was received stating that he was not disqualified from appointment as the Director.

During the year under review, Mr. Tirtha Pratim Sahu resigned from the position of Chief Financial Officer with effect from 01<sup>st</sup> March, 2023 and Mr. Arun Kumar Gupta was appointed as Chief Financial Officer (KMP) of your Company with effect from 01<sup>st</sup> March, 2023.

During the year under review, Mr. Jaydeep Ghosh, CEO & Whole-Time Director, Mr. Arun Kumar Gupta, Chief Financial Officer and Ms. Tanusree Ghosh, Company Secretary, constituted the Key Managerial Personnel ('KMP') of your Company under the Companies Act, 2013.

## **18. INDEPENDENT DIRECTORS' DECLARATION**

The definition of 'Independence' of Directors is derived from Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and upon evaluation of the Relationships disclosed, the following Non-Executive Directors were deemed Independent in terms of Section 149(6) of the Companies Act, 2013:

- a) Mr. Dipankar Chatterji
- b) Mr. Rana Som
- c) Mr Subrata Gupta

In compliance with the provisions of Section 149(7) of the Companies Act, 2013, your Company has received declarations from all the Independent Directors of your Company confirming that they met the criteria of independence prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'). Further, there was no change in the circumstances which may have affected their status as Independent Directors during the year under review.

## **19. DISCLOSURE OF REMUNERATION & NOMINATION CRITERIA FOR DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board has, on the recommendations of the Nomination and Remuneration Committee and in compliance with the Companies Act, 2013, framed a Nomination and Remuneration criteria for the selection, evaluation and appointment of Directors, Key Managerial Personnel and other employees, fixing their remuneration after including criteria for determining qualifications, positive attributes, independence of a director and related matters, as provided under the said act. Both Nomination and Remuneration are critical parts of the Corporate Governance of your Company.

A comprehensive overview of the composition of the Nomination and Remuneration Committee and other details are also provided in the section pertaining to Corporate Governance, which is a part of this report.

The Remuneration paid to Whole-time Directors (includes 2 Whole-time Directors and the Managing Director) during the year under review was **INR. 112.98 lakhs**.

Importantly, the Non-Executive and Independent Directors do not have any pecuniary relationship with your Company. They do not receive any remuneration except the applicable Sitting fee(s).

The total amount of Sitting Fees paid in Financial Year 2022-23 was **INR. 18.95 lakhs** (this amount included the charges for the Meetings of the Board of Directors and the Committee of Directors of the Company).

## **20. COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES.**

Here, the current policy of your Company encourages an appropriate mix of Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As of 31<sup>st</sup> March, 2023, the Board consists of **seven (7)** members: **three (3)** Executive Directors, **three (3)** Independent Directors and **one (1)** Non-Executive Non-Independent Director. The Chairman of your Company is an Independent Director, in terms of the relevant provisions of the Companies Act, 2013. Moreover, the Board periodically evaluates the need for change in its composition and size.

The Nomination and Remuneration Committee formulates the criteria for determining qualifications, positive attributes and independence of a director. It recommends to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees. The recommendation of the committee is forwarded to the Board for its approval.

The Nomination and Remuneration Committee decides the remuneration of Executive Directors on the basis of following criteria:

- a.** The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run your Company successfully;
- b.** The relationship of remuneration to performance is clear and meets the appropriate performance benchmarks.

## **21. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year under review, your Company entered into related party transactions with GTFS Multi Services Limited (its holding Company) on an arm's length basis, in the ordinary course of its business through a rental agreement. All transactions with Related Parties (as defined under the Companies Act, 2013) during the year under review were entered into in the ordinary course of the Company's business and at an arm's length pricing basis; they did not attract the provisions of Section 188 of the Companies Act, 2013. The details of the transactions with related parties were placed before the Audit Committee from time to time.

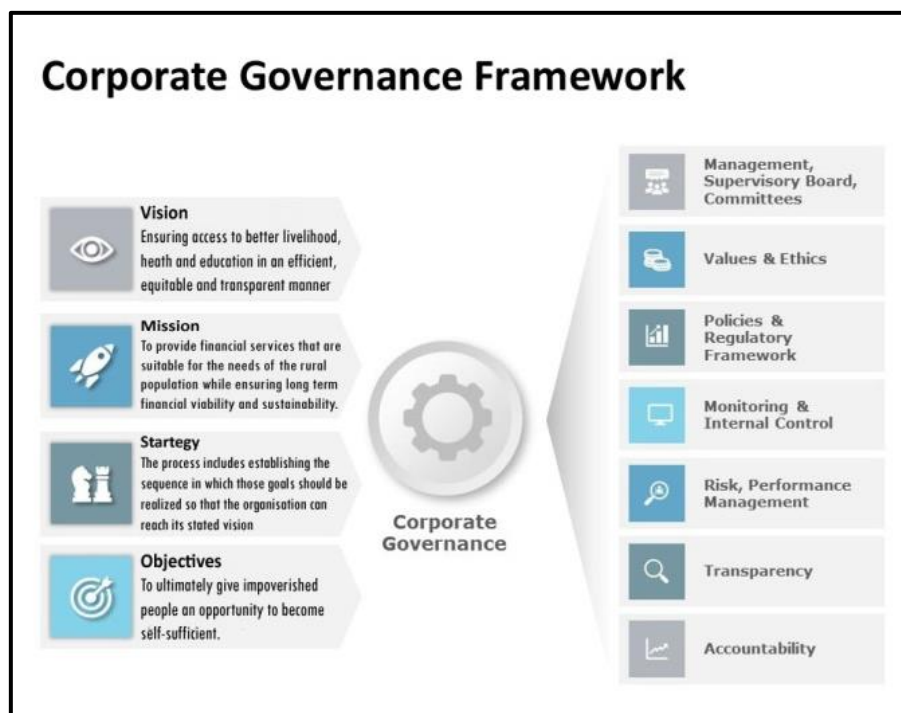
## **22. CORPORATE GOVERNANCE**

### **(i) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE AND ITS FRAMEWORK**

Your Company strives to adopt and adhere to the highest standards of Corporate Governance principles and the best related practices. With this objective, your Company has put in place various policies, systems and processes to achieve transparency, high levels of business ethics and compliance with applicable laws. The effective Role of the Board is central to effectual corporate governance. Your Company has a Board with independent members who have extensive experience in the field of economics and social development. It has formed various Committees in tune with its emphasis on governance. The Board and other Committees of the Board ensure the high standards of transparency and accountability regarding all of your Company's activities to its customers,

employees, regulators, investors, vendors and society at large. Further, your Company's best management practices and a high level of integrity in decision making are followed to ensure the long-term creation of value for all the stakeholders. Your Company ensures the implementation of good corporate governance on which its management decisions are based. All the functions of your Company are discharged in a professionally sound, competent and transparent manner.

The driving principle that provides direction to our corporate governance framework is encapsulated in the diagram below:



## (ii) BOARD OF DIRECTORS

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board businesses. The notice of Board meetings is duly given to all the Directors. The Agendas for the Board and Committee meetings include detailed notes on the items to be discussed at the meetings so that the Directors can, in turn, take informed decisions.

### a) Composition, Category of the Board of Directors

As of 31<sup>st</sup> March, 2023, the Board of your Company consisted of seven (7) Directors (including a Woman Director), of which three were Independent Directors, one was a Non-Executive Director and three (3) were Executive Directors (including the Managing Director).

The composition of the Board conforms to the mandates of the Companies Act, 2013. The composition of the Board, the other directorships of the Board members, the number of Board Meetings held in the attendance of the Directors during the Financial Year 2022-23, along with the details of the Committees of the Board, their membership and their Terms of Reference, are presented below:

Sl No.	Name of Director	Category	No. of Directorship in other Companies (as on 31 <sup>st</sup> March,2023)
1	Mr. Dipankar Chatterji	Independent Director	8
2	Mr. Rana Som	Independent Director	6
3	Mr Subrata Gupta	Independent Director	1
4	Mr. Jaydeep Ghosh	Whole-time Director	NIL
5	Mr. Sourav Ghosh	Managing Director	NIL
6	Ms. Aatreyee Majumder	Whole-time Director	NIL
7	Mr. Sandip Das	Non-Executive Director	2

## b) Your Directors

### Dipankar Chatterji

**Dipankar Chatterjee, DIN: 00031256**, was appointed as an Independent Director on the Board of Jagaran effective from 27<sup>th</sup> June, 2016. Mr. Chatterji is a renowned Chartered Accountant with more than five decades of field experience and is currently a Senior Partner with L. B. Jha and Co. Previously, Mr. Chatterji has been the president (Eastern Region) of the Indo-American Chamber of Commerce and also the Chairman (Eastern Region) of the Confederation of Indian Industry (CII). Moreover, he has been part of the Board of Directors of four nationalised banks, a public sector mutual fund and various expert committees appointed by the Reserve Bank of India, the Government of India and various State Governments.

### Rana Som

**Rana Som, DIN: 00352904**, was appointed as an Independent Director on the Board of Jagaran effective from 28<sup>th</sup> September, 2021. Mr. Som was the Ex-Chairman and Managing Director of National Mineral Development Corporation Limited and Hindustan Copper Limited. He is a corporate leader who has used his expertise in working for different organizations to script the turn-around of two public sector giants. He was the architect of Hindustan Copper Limited revival and was instrumental in the massive diversification and growth of National Mineral Development Corporation Limited (NMDC). Mr. Som was the CMD of NMDC and also was a member of the India-Russia Joint CEO's Forum and India- South Africa Joint CEO's Forum. Mr. Som is now the Non-executive Chairman of BBCL and a director on the boards of a number of companies. He is also a member of an international jury aimed at the selection of best companies in various fields within the metals and mining sector. He has also authored an important book on corporate turnarounds.

### Subrata Gupta

**Subrata Gupta, DIN: 06833844**, was appointed as an Independent Director on the Board of Jagaran effective from 11<sup>th</sup> April, 2022. Mr. Gupta was the Managing Director of NABFINS Limited. He has been associated with diverse projects in the area of rural development implemented by NABARD. He has mainly worked in the fields of project finance, rural infrastructure, microfinance, financial inclusion and banking technology, Information Technology, and in the internal training system of

NABARD as a faculty member. Presently, he is working as a consultant to NABCONS in the area of Food Processing and Agri-infrastructure.

#### **Jaydeep Ghosh**

**Jaydeep Ghosh, DIN: 07475085**, was appointed as a Whole-time Director on the Board of Jagaran effective from 14<sup>th</sup> November, 2019. Mr. Ghosh has over two decades of experience in the BFSI sector. Before taking charge as the CEO for a second term from August, 2018, he has also served as the COO at Jagaran since its inception until December 2015. His previous employers were ICICI Prudential Life Insurance and Axis Bank. Before joining Jagaran, he was the Zonal Manager (Eastern India) for Agency Development with ICICI Prudential Life Insurance. At Axis Bank, he was in charge of retail banking in the Eastern Zone of India.

#### **Sourav Ghosh**

**Sourav Ghosh, DIN: 08154243**, was appointed as a Managing Director on the Board of Jagaran effective from 8<sup>th</sup> March, 2019. Mr. Ghosh completed his Post Graduate Diploma in Management (Marketing) from the Institute of Management Technology, Ghaziabad. He has acted as the Leisure Markets-Chief Executive Officer in OYO Business, managing Business Development, Sales and Operations. He has also worked as the Senior Account Manager (handling Sales and Marketing) and as the Key Account Manager (looking after Electronics) at Snapdeal.

#### **Aatreyee Majumder**

**Aatreyee Majumder, DIN: 08363766**, was appointed as a Whole-Time Director on the Board of Jagaran effective from 14<sup>th</sup> November, 2019. Ms. Majumder completed her MS (Master of Science) degree in Economics and International Financial Economics at the University of Warwick. She also earned a postgraduate degree in Economics from the University of Calcutta before heading to Warwick to complete a more specialised training. Ms. Majumder has committed herself to several academic projects and is an NSE-certified Capital Market professional. From 2010 to 2013, she has also served as the facilitator for the Department of Social Work & National Service Scheme (NSS). She is a young, energetic and dedicated professional whose academic expertise and experience of working for various social projects makes her a very reliable and efficient member of the team.

#### **Sandip Das**

**Sandip Das, DIN: 09345602**, was appointed as an Independent Director on the Board of Jagaran effective from 11<sup>th</sup> April, 2022. Mr. Das was enrolled as a member of the ICAI in 1999. He completed his articleship from L. B. Jha and Co., Chartered Accountants. He was employed with J. J. Automotive Limited from 1999 to 2000. He served as a paid assistant with M. Chatterjee & Co., Chartered Accountants, and he served as a partner with Mukhopadhyay Das & Co., Chartered Accountants, from 2001 to 2003 and from 2003 to 2005, respectively. Since August 2005, he is practicing in his individual capacity as part of the firm named, Sandip Das & Associates.

#### **c) Number of meetings and attendance of the Board of Directors**

The Board met **six (6)** times in Financial Year 2022-23. The maximum interval between any two meetings did not exceed 120 days.

Sl No.	Date of Board Meeting	Place of Meeting	No. of Members attended the Board Meeting
1.	11.04.2022	Kolkata	8 out of 8

2.	21.05.2022	Kolkata	7 out of 8
3.	12.08.2022	Kolkata	7 out of 8
4.	17.08.2022	Kolkata	7 out of 8
5.	11.11.2022	Kolkata	7 out of 8
6.	13.02.2023	Kolkata	7 out of 7

### (iii) AUDIT COMMITTEE

The Chairman of the Audit Committee is an Independent Director. In Financial Year 2022-23, the Audit Committee met **Five (5)** times. The composition of the Audit Committee and its brief terms of reference are presented below:

Sl No.	Date of Meeting	Place of Meeting	No. of Members attended the Meeting	Members of the Committee
1.	11.04.2022	Kolkata	3 out of 3	Mr. Rana Som Mr. Dipankar Chatterji Mr. Sandip Das
2.	21.05.2022	Kolkata	3 out of 4	
3.	12.08.2022	Kolkata	3 out of 4	
4.	11.11.2022	Kolkata	3 out of 4	
5.	13.02.2023	Kolkata	3 out of 3	

#### Brief Terms of Reference of Audit Committee:

- a) To review the Financial Reporting, ensuring the correctness & suitability of Financial Statements;
- b) To review the recommendation of Internal and External Auditors, the scope of their Audits and Audit reports to the Board;
- c) To review the functioning of the whistle-blower mechanism;
- d) To review and scrutinise, along with the Company's management, the periodic financial statements/results before their submission to the Board, focusing primarily on:
  - matters required to be included in the Directors' Responsibility Statement (to be included in the Board's report in terms of Clause (c) of sub-section (3) of section 134 of the Companies Act, 2013);
  - any changes in accounting policies and practices;
  - any related party transaction
  - the adequacy of internal audit function
- e) To review the findings of any internal investigations by the internal auditors into matter/s involving suspected fraud or irregularity or a failure of internal control systems of a material nature, and to report the matter/s to the Board;
- f) To ensure that an Information System Audit of the internal systems and processes is conducted on a yearly basis to assess operational risks faced by your Company;
- g) To carry out any other function as mentioned in the terms of reference of the Audit Committee.

### (iv) NOMINATION AND REMUNERATION COMMITTEE



The Chairman of the Committee is an Independent Director. In Financial Year 2022-23, the Committee met **four (4)** times. The composition of the Remuneration and Nomination committee and its brief terms of reference are presented below:

SI No.	Date of Meeting	Place of Meeting	No. of Members attended the Meeting	Members of the Committee
1.	11.04.2022	Kolkata	2 out of 2	Mr. Rana Som Mr. Dipankar Chatterji Mr. Sandip Das
2.	11.11.2022	Kolkata	3 out of 4	
3.	13.02.2023	Kolkata	3 out of 3	
4.	21.03.2023	Kolkata	3 out of 3	

**Brief Terms of reference of Remuneration and Nomination Committee:**

- a) To evaluate the skill sets, knowledge and experience required in an Independent Director before the appointment of the same and, on the basis of such evaluation, to prepare a description of the role and capabilities of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such a description;
- b) To formulate the criteria for evaluation of the performance of Independent Directors and the Board of Directors;
- c) To devise a policy on diversity of the Board of Directors;
- d) To extend or to continue the term of appointment of the Independent Director, on the basis of the report on the performance evaluation of Independent Directors;
- e) To identify those who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and to recommend to the Board of Directors for their appointment/removal;
- f) To oversee the framing, review and implementation of the compensation policy of your Company with the approval of the Board;
- g) To work in close coordination with Risk Management Committee of your Company in order to achieve effective alignment between compensation and risks;
- h) To ensure the 'fit and proper' status of proposed/existing Directors and to ensure that there is no conflict of interest in appointment of Directors on the Board of your Company, KMP and senior management.

**(v) RISK MANAGEMENT COMMITTEE**

During the Financial Year 2022-23, the Committee has met **once (1)**. The composition of the Risk Management committee and the brief terms of reference are outlined below:

SI No.	Date of Meeting	Place of Meeting	No. of Members attended the Meeting	Members of the Committee
1.	13.02.2023	Kolkata	3 out of 3	Mr. Subrata Gupta Mr. Rana Som Mr. Dipankar Chatterji

**Brief Terms of reference of Risk Management Committee:**

- a) To formulate a detailed risk management policy which shall include:
  - A framework for the identification of internal and external risks specifically faced by the listed entity, particularly including financial, operational, sectoral, sustainability (specifically, ESG-related risks), information, cyber security risks or any other risk as determined by the Committee.

- Measures for risk mitigation including systems and processes aimed at the internal control of identified risks.
  - Business continuity plan.
- b) To review the major risk management procedures followed by your Company with regard to Operational and Process Risk, Credit and Portfolio Risk, Interest Rate Risk, Liquidity Risk, Strategy Risk, etc. Moreover, review the steps management has implemented to manage and mitigate identifiable risks;
  - c) To review with management and the Internal Auditor the significant business risks, political risks, financial and control risks, industry risks and the exposure to such risks;
  - d) To review the Internal Risk Based Audit (IRBA) system and ensure the relevant Grading/Scoring;
  - e) To review the Credit Risk policy including the risk acceptance criteria, to identify early warning signals through the Internal Inspection Department, to review the provisions and write-off policies, etc.
  - f) To review the Operational Risk events that have occurred during the given quarter and the systematic improvements taken/proposed by the Senior Management dealing with operational risks;
  - g) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate the risks associated with the business of your Company;
  - h) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
  - i) To manage funding and capital planning;
  - j) To address pricing, profit planning (value creation and profitability) and growth projections.

#### **(vi) IT STRATEGY COMMITTEE**

The Board of Directors, in compliance with the RBI directions constituted the IT Strategy Committee. In Financial Year 2022-23, this Committee has met **once (1)**. The composition of the IT Strategy Committee and its brief terms of reference are presented below:

Sl No.	Date of Meeting	Place of Meeting	No. of Members attended the Meeting	Members of the Committee
1.	21.03.2023	Kolkata	5 out of 5	Mr. Subrata Gupta Mr. Rana Som Mr. Dipankar Chatterji Mr. Jaydeep Ghosh Mr. Sourav Ghosh

#### **Brief Terms of reference of IT Strategy Committee**

- a) To review, oversee and ensure ongoing IT activities are based on or are developed, maintained and implemented in accordance with the security requirements;
- b) To review and implement changes in the policy and procedures of Network management;
- c) To review and analyse web-filter management;
- d) To review and implement IT security, along with server, patch and change management;
- e) To review the set of standards and procedures followed regarding the procurement of IT assets;
- f) To review and verify whether IT Asset Management is in right place;
- g) To review and verify Licence and Warranty management as well as Vendor management;
- h) To review Incident management arising out of the accidental and malicious disruption of business processes;

- i) To review policy on IT Physical and Environmental Security policy and procedure;
- j) To review and monitor the processes of back-up scheduling and retention;
- k) To review, establish and ensure the implementation of procedures of responding to an emergency or other occurrence hampering Business Continuity;
- l) To review and ensure that Information resources are protected using access control systems that include both internal as well as external systems;
- m) To ensure due compliance is maintained in terms of the applicable laws, rules, guidelines set out by the regulators and the government;

#### **(vii) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Board of Directors, in compliance of the Companies Act, 2013 and rules made thereunder, constituted Corporate Social Responsibility (CSR) Committee.

During the financial year 2022-23, the Committee did not meet. The composition of the Corporate Social Responsibility committee and the brief terms of reference are shown below:

SI No.	Name of Director	Category	Status
1	Mr. Rana Som	Independent Director	Chairperson
2	Mr Subrata Gupta	Independent Director	Member
3	Mr. Jaydeep Ghosh	Managing Director	Member
4	Mr. Sourav Ghosh	Joint Managing Director	Member

#### **Brief Terms of reference of Corporate Social Responsibility Committee**

**a)** Formulation and recommendation to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013.

**b)** Recommendation of the amount of expenditure to be incurred on the CSR activities and monitoring the same.

**c)** Monitoring the Corporate Social Responsibility Policy of the company from time to time.

#### **(viii) EXECUTIVE COMMITTEE**

In Financial Year 2022-23, the Executive Committee met **Eighteen (18)** times. The composition of the Executive Committee and its brief terms of reference are presented below:

SI No.	Date of Meeting	Place of Meeting	No. of Members attended the Meeting	Members of the Committee
1.	18.04.2022	Kolkata	4 out of 4	Mr. Dipankar Chatterji Mr. Jaydeep Ghosh
2.	30.05.2022	Kolkata	4 out of 4	
3.	30.06.2022	Kolkata	3 out of 4	
4.	30.07.2022	Kolkata	3 out of 4	

5.	30.08.2022	Kolkata	3 out of 4	Mr. Sourav Ghosh  Ms. Aatreyee Majumder
6.	24.08.2022	Kolkata	3 out of 4	
7.	14.09.2022	Kolkata	4 out of 4	
8.	19.10.2022	Kolkata	4 out of 4	
9.	09.11.2022	Kolkata	3 out of 4	
10.	05.12.2022	Kolkata	4 out of 4	
11.	29.12.2022	Kolkata	3 out of 4	
12.	04.01.2023	Kolkata	3 out of 4	
13.	24.01.2023	Kolkata	4 out of 4	
14.	07.02.2023	Kolkata	4 out of 4	
15.	28.02.2023	Kolkata	3 out of 4	
16.	17.03.2023	Kolkata	3 out of 4	
17.	27.03.2023	Kolkata	3 out of 4	
18.	28.03.2023	Kolkata	3 out of 4	

#### **(ix) CODE OF CONDUCT**

The Board of Directors has laid down a 'Code of Conduct' for all the Board members, the senior management and the other employees of your Company.

#### **(x) DISCLOSURE**

a. There has been no instance of non-compliance by your Company nor any penalties imposed on by any authorities.

b. Your Company has a Whistle Blower Policy that is duly approved by the Board.

c. In Financial Year 2022-23, no expenditure was debited in the books of accounts which were not relevant to the purposes of your Company's business.

d. Your Company implemented preventive and redressal mechanisms aimed at the Prevention of Sexual Harassment (POSH) in the conspicuous places of the branch and the H.O.

#### **(xi) MEANS OF COMMUNICATION**

The Annual Report and other statutory information are sent to shareholders in digital mode of communication.

#### **(xii) APPRISING THE BOARD OF DIRECTORS**

Your Company keeps its Directors informed regarding the important developments referring to the performance of your Company, industry scenario and the regulatory changes.

#### **(xiii) GENERAL SHAREHOLDERS INFORMATION**

a) Details of Annual General Meeting ('AGM')

<b>Date</b>	<b>25.09.2023</b>
<b>Venue</b>	<b>Head Office, Kolkata</b>
<b>Time</b>	<b>1100 hours</b>

b) The Financial Year of your Company is from **1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023**

### **23. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of clause (c) of sub-section (5) of Section 134 of the Companies Act, 2013, your Directors confirm the following:

- In the preparation of the annual accounts for the year that ended on March 31<sup>st</sup>, 2023, the applicable accounting standards, read in light of the requirements set out under Schedule III of the Act, have been followed and there have been no material departures from the same;
- The Directors have selected and consistently applied the accounting policies that are reasonable and prudent so as to give a true and fair view not only of the state of affairs of your Company as of 31<sup>st</sup> March, 2023, but also of the profit of your Company in the financial year that ended on the same date;
- The Directors have taken proper and sufficient care regarding the maintenance of adequate accounting records in accordance with the provisions of the Act, in order to safeguard the assets of your Company and to prevent/detect fraud and other irregularities;
- The Directors have prepared the annual accounts on a 'going concern' basis;
- The Directors have laid down internal financial controls to be followed by your Company and have ensured that such internal financial controls are adequate and are operating effectively;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and to verify that such systems are adequate and operating effectively.

### **24. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

Your Company has adopted a Whistle Blower Policy which is periodically reviewed. The main aim of this policy is to encourage employees and Directors to develop good faith reports of suspected fraud and corruption. Your Company has an established a mechanism for Directors, Employees, Borrowers and Investors to report concerns about unethical behaviour, actual or suspected fraud and violation of the Code of Conduct or Ethics policies. It also provides adequate safeguards against the victimisation of Directors, Employees, Borrowers and Investors who avail of the mechanism. This vigilance mechanism is duly incorporated in the Company's policy that serves as a guide for its daily business interactions, reflecting positively its standard regarding appropriate behaviour and corporate values.

### **25. CLIENT GRIEVANCE**

During the year under review, the status of client grievances is as follows:

<b>Particulars</b>	<b>31<sup>st</sup> March, 2023</b>	<b>31<sup>st</sup> March, 2022</b>
No. of Complaints pending at the beginning of the year	<b>Nil</b>	<b>Nil</b>
No. of Complaints received during the year	<b>7</b>	<b>7</b>
No. of Complaints redressed during the year	<b>7</b>	<b>7</b>
No. of Complaints pending at the end of the year	<b>Nil</b>	<b>Nil</b>

## **26. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has an Internal Complaints Committee (ICC) in place, in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 to redress complaints received regarding sexual harassment. All employees (permanent, contractual or temporary) are covered according to the requirement of the Act. During the year under review, no relevant complaints were received.

## **27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The provisions of Section 134(3) (m) of the Companies Act, 2013, relating to the conservation of energy do not apply to our Company. However, in line with the increase use of digital technologies in the midst of the pandemic, your Company used IT services extensively in Financial Year 2022-23. However, your Company had neither foreign exchange earnings nor any foreign outgo during the Financial Year 2022-23.

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

During the year under review, no significant material orders were passed by the regulators, courts or tribunals against your Company that would impact its going concern status and its future operations. Thus, its current status and future operations reportedly remained unaffected as of 31<sup>st</sup> March, 2023.

## **29. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

In compliance with Section 139(5) (e) of the Companies Act, 2013, your Company has laid down measures for internal financial controls; it ensures that these measures are adequate and operating effectively. Through such measures, your Company ensures that all relevant policies and procedures are adopted to facilitate the smooth conduction of its business. These include ensuring adherence to your Company's policy, regulating its assets, preventing and detecting fraud and error and also maintaining the accuracy of the accounting records. In this respect, your Company also attempts to ensure the timely preparation of reliable financial information.

As per Section 177 of the Companies Act, 2013, the Audit Committee of your Company regularly evaluates its internal financial control mechanisms and risk management systems.

## **30. INSTANCES OF FRAUDS, IF ANY REPORTED BY THE AUDITOR PURSUANT TO SECTION 143(12) OF THE COMPANIES ACT, 2013**

During the year under review, the Statutory Auditors and the Secretarial Auditors did not report any instances of fraud committed in your Company by its Officers or Employees to the Audit Committee, under section 143(12) of the Companies Act, 2013.

## **31. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE**

There were no major qualifications, reservations or adverse remarks made by the Auditor in their report.

## **32. AUDITORS**

**a) Statutory Auditors** – M/s Lodha & Co., Chartered Accountants (Firm Registration Number – 301051E), was appointed as statutory auditor of your Company in the Annual General Meeting held

on 01.10.2021. It confirmed its eligibility under section 141 of the Companies Act, 2013, to carry out the audit for the Financial Year 2022-23.

**b) Cost Auditors** – Your Company was not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013. Accordingly, such records were not maintained.

No qualifications, reservations or adverse remarks were made by the Statutory Auditors in their reports, except the disclaimer made by them upon the discharge of their professional obligations.

### **33. COMPLIANCE WITH SECRETARIAL STANDARDS**

Your Company has robust systems in place to ensure compliance with the provisions of the applicable secretarial standards issued by “The Institute of Company Secretaries of India”. Such systems were deemed adequate and operating effectively as of the end of the Financial Year 2022-23.

### **34. INFORMATION TECHNOLOGY**

Your Company has started extensively using Information Technology in its operations to monitor and control different activities such as loan processing, accounts, HR and MIS. All these activities of your Company are technologically driven and the relevant technology is obtained from third party providers. Indeed, in the year under review, the board meetings, committee meetings and other stakeholder meetings were held in virtual meeting platforms whenever required.

### **35. CREDIT BUREAU**

In order to address the issues of multiple lending or over-indebtedness and also to gain information regarding the credit histories of customers prior to the sanction of any loans, your Company continues being a member of credit bureaus like CRIF, High Mark Credit Information Services Pvt. Ltd., Equifax Credit Information Services Pvt. Ltd., Experian and Transunion CIBIL Limited.

### **36. RISK MANAGEMENT**

Risk is an integral part of the Company’s business. Sound risk management is critical to the success of your Company. Thus, the Board of Directors of your Company have formed a Risk Management Committee, primarily consisting of Independent Directors, to frame, implement and monitor the risk management plan of your Company. The Board has also adopted a Risk Management Policy based on the recommendation of the Risk Management Committee in order to assess, monitor and manage the risks faced by your Company. This Committee is also responsible for reviewing the Company’s Risk Management Policy, ensuring its effectiveness, verifying its adherence to various risk parameters and ensuring an efficacious risk management structure.

Your Company’s approach to risk management is based on a clear understanding of various risks, disciplined risk assessment and continuous monitoring. Your Company’s Risk Management Committee reviews the various risks our organisation is susceptible to, namely Credit Risk, Business Environment Risk, Reputational Risk, Interest Rate Risk, Liquidity Risk and Operational Risk, among others.

The discussion regarding adherence to your Company’s Risk Management Policy is covered in the **Management Discussion and Analysis in Annexure 1** of this report.

### **37. WEBSITE DISCLOSURE**

Your Company judiciously follows the website disclosure norms as per the rules set by Reserve Bank of India (RBI) and Securities and Exchange Board of India (SEBI).

### **38. EXTRACT OF ANNUAL RETURN**

Pursuant to Section 134(3)(a) and Section 92 (3) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of annual return is a part of this Director's report and is presented in **Annexure 2**.

### **39. CORPORATE SOCIAL RESPONSIBILITY**

Your Company has always behaved in a socially responsible manner by efficiently evaluating and addressing the growing needs of the communities among which it operates. It believes in making a lasting impact on these communities and envisions a just, equitable, humane and sustainable society that their members can enjoy. It is involved in various social and developmental activities to supplement its efforts of poverty alleviation. These activities complement its primary economic activity of empowering underprivileged women through microcredit loans.

The Board of Directors has approved your Company's CSR Policy as recommended by its CSR Committee; it is available on your Company's website.

Regarding the year under review, as per the amount, your Company spent on various CSR programmes and activities, the details of such activities are given in the report on Corporate Social Responsibility activities in **Annexure 3** of the Board's Report, in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

#### **Acknowledgement:**

Your Board of Directors expresses its sincere appreciation for the support, cooperation and assistance received from our customers, Reserve Bank of India, MFIL, Sa-Dhan, Shareholders, other stakeholders and various service agencies during the year under review. The Directors also thank the employees, managers, executives and customer service representatives for their contribution to your Company's operations and performance during the period.

Finally, your Board of Directors takes this opportunity to express their appreciation and extend its gratitude for the continued support, co-operation and guidance received from all the Banks and Financial Institutions that are involved with us in our journey.

For and on behalf of the Board of Directors

Dipankar Chatterji  
Chairman

Place: Kolkata  
Date : 12.05.2023





## Annexure 1

### MANAGEMENT DISCUSSION AND ANALYSIS

#### OVERVIEW

Jagaran Microfin Private Limited ('Company') is duly registered with the Reserve Bank of India as a **Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI)**. Your Company is headquartered in Kolkata and is primarily engaged in providing microfinance loans to low-income households. Your Company focuses its operations in **5 states** in India, with **134 branches** and **720 employees** as of **31<sup>st</sup> March, 2023**.

Your Company focuses on reaching out to the underserved and unbanked populace of our country and providing financial services to rural/semi-urban women, following a village-centric, group-lending model to provide low-value, collateral-free loans. Your Company extends loans mainly for use in small businesses or for other income-generating activities. The model it follows relies on a form of 'social collateral' and ensures credit discipline through peer support within groups. In fact, your Company's core business model is aimed at providing financial support to the abovementioned segment of our country's population; disseminating financial literacy and awareness among its customers is an integral part of its core strategy. Adjacent to this strategy is your Company's CSR policy that focuses on key activities like health, hygiene and primary education in the catchment areas of its operations.

The portfolio of your Company stood at **INR. 33,887.69 lakhs** at the end of the Financial Year 2022-23. Your Company achieved the **Tier-I Capital of INR. 9445.90 lakhs** and a rating of **BBB (-) by Acuité Ratings & Research** with regard to bank loans of **INR. 40000 lakhs**.

Further, your Company raised funds of about **INR. 26100 lakhs** through various sources during the Financial Year 2022-23. The net worth of your Company, as of 31<sup>st</sup> March, 2023, stood at **INR. 10262.14 lakhs**, while its revenue amounted to **INR. 6516.49 lakhs**.

#### INDUSTRY SCENARIO

This microfinance sector continues to improve its portfolio quality while maintaining lower delinquency post the COVID-19 pandemic. Going ahead, its asset quality seems to be getting better, with repayments and collection efficiency reaching the pre-COVID levels. This improvement is firmly backed by the recovery of the country's economy. In fact, noticeable signs of recovery across have been witnessed across all economic sectors of the country post-COVID, which strongly indicate the presence of resilient customer base.

A very important development for the microfinance sector has been the rollout of the New Eligibility Guidelines by the RBI on 14<sup>th</sup> March, 2022. This new set of guidelines have provided lenders (of any category, be it a public sector bank, private bank, NBFC, NBFC-MFI, or of any other kind) engaged in the business of microfinance a framework which clearly defines the operational criteria to be followed uniformly across the country. The key changes are as follows:

- Household income-based customer eligibility criteria: Henceforth, everyone with a total household income of  $\leq$  INR. 3,00,000 per annum can potentially qualify as a microfinance customer. Earlier, loans could be disbursed by an NBFC-MFI only to borrowers with a rural household annual income not exceeding INR. 1,25,000.00 or urban and semi-urban household incomes not exceeding INR. 2,00,000.00.

- Overall debt servicing level/expense assessment: As per the new guidelines, the computation of loan repayment obligations shall take into account all outstanding loans (collateral-free microfinance loans as well as any other type of collateralised loans) of the household. The outflows, capped at 50% of the monthly household income, shall include repayments (including both principal as well as interest components) towards all existing loans as well as the loan under consideration.

- Flexible, transparent pricing mechanism, doing away with the earlier 10% and 12% margin caps on COF (cost of funds).

- No restrictions on total exposure, loan amount size per product and number of lenders.

- Qualifying portfolio, as a proportion of the total assets requirement for a lender, has been reduced from 85% to 75%.

These guidelines have provided a much needed 'level playing field' for all players in the microfinance sector by practically nullifying whatever arbitrage(s) were there for certain categories of lenders. They have also removed all the erstwhile caps on aspects like gross exposure/number of lenders/pricing margin, etc., in order to provide greater operational flexibility while simultaneously facilitating the introduction of risk-premium-based pricing, thus benefiting customers who demonstrate a relatively better credit discipline.

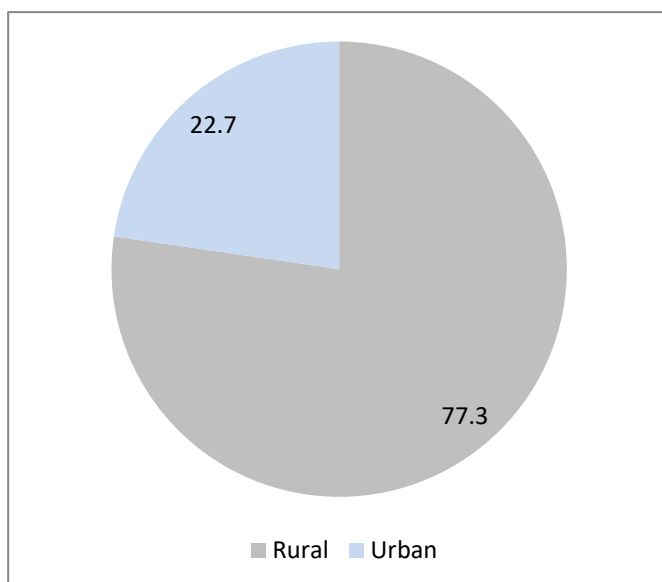
### **Microfinance Industry – Key Takeaways (source Micrometer report as of 31<sup>st</sup> March, 2023) –**

This section outlines the overall position of the country's microfinance industry in terms of various categories of lenders, including NBFC-MFIs, banks, SFBs, NBFCs and other MFIs (including non-profit MFIs).

Based on the data as of 31<sup>st</sup> March, 2023, the country's microfinance industry has total loan portfolio (i.e. loan amount outstanding) of INR.3,48,339 crores. The total number of active loans accounts is 13.0 crores involving 8.8 crore unique borrowers as of 31<sup>st</sup> March, 2023. **The YoY (31<sup>st</sup> March, 2022 to 31<sup>st</sup> March, 2023) growth of GLP is 22.0%.** Moreover, as of 31<sup>st</sup> March 2023, 82 NBFC-MFIs are the main providers of microcredit with a loan amount outstanding of INR. 1,38,310 crores. accounting for 39.7% of the total industry portfolio. Further, 13 banks hold the second-largest portfolio share in microcredit, with total loan outstanding of INR. 1,19,133 crores. which constitutes 34.2% of the total microcredit universe. SFBs have a total loan amount outstanding of INR. 57,828 crores. with total share of 16.6%. NBFCs account for another 8.5% and other MFIs account for 1.0% of this universe. The table below captures the key portfolio and outreach numbers of the five broad categories of microfinance lenders.

Lender wise overall status of Loan Portfolio in Microfinance Industry								
Type of Entity	31 <sup>st</sup> March, 2022				31 <sup>st</sup> March, 2023			
	No. of entities	Unique Borrowers (Crores)	Active Loan Accounts (Crores)	Portfolio Outstanding (INR. in Crores)	No. of entities	Unique Borrowers (Crores)	Active Loan Accounts (Crores)	Portfolio Outstanding (INR. in Crores)
NBFC-MFIs	84	2.7	4.2	1,00,407	82	2.9	5.1	1,38,310
Banks	12	2.9	4.3	1,14,051	13	3.3	4.7	1,19,133
SFBs	9	1.4	1.8	48,314	9	1.6	2.0	57,828
NBFCs	58	0.7	0.8	19,698	69	0.9	1.0	29,440
Others	39	0.1	0.2	2,971	38	0.1	0.2	3,629
<b>Total</b>	<b>202</b>	<b>7.8</b>	<b>11.3</b>	<b>2,85,441</b>	<b>211</b>	<b>8.8</b>	<b>13</b>	<b>3,48,340</b>

In terms of geographic spread, 79.6% of the portfolio is rural and 20.4% is urban. This demonstrates the extent of microfinance penetration in rural India. **(Refer Diagram below)**



In terms of purpose, the exposures are mentioned in the table below:

Lending Purpose	Share of total GLP (%)
<b>Agriculture and Allied Activities(Total)</b>	<b>63.5%</b>
<b>Non-Agriculture(Total)</b>	<b>34.2%</b>
Trade and Services	27.8%
Manufacturing/Production	6.4%
<b>Household Finance(Total)</b>	<b>2.3%</b>
Education	0.2%
Medical	0.0%
Housing/Home Improvement	1.1%
Other household finance	1.0%

### **GLP as: Gross Loan Portfolio**

Some of the Key highlights regarding the overall performance of the microfinance sector for the Financial Year 2022-23 are mentioned hereunder:

<i>Indicator</i>	<i>As of 31<sup>st</sup> March, 2022</i>	<i>As of 31<sup>st</sup> March, 2023</i>	<i>YoY Change (%) as on Financial Year 2022-23 over Financial Year 2021-22</i>
<i>Branches</i>	16,171	18,739	15.88%
<i>Employees</i>	1,38,527	1,61,010	15.85%
<i>Clients (in Crores)</i>	3.3	3.9	18.18%
<i>Loan accounts (in Crores)</i>	3.8	4.6	36.84%
<i>Gross Loan Portfolio (Crores in INR.)</i>	1,00,407	1,38,310	37.74%
<i>Loans Disbursed (in Crores)</i>	2.20	3.1	40.90%
<i>Loan Amount disbursed (Crores in INR.)</i>	81,936	1,30,563	59.35%

**Note: The above figures are based on the analysis of member NBFC-MFIs of MFIN that are registered with the Reserve Bank of India**

### **OPPORTUNITIES**

The microfinance industry of the country has already proved its viability as a business model and has demonstrated its ability to reach out to a significant section of the population which needs mainstreaming. It will continue to remain a relevant and important conduit for providing financial services to a vast segment of the population, acting in complementarity with banks. However, given the inherent vulnerability of the industry's customer base, we at Jagaran have planned for current and future risks that can impact repayments and slow down our access to/regulation of credit lines for the underserved.

The new guidelines issued by the RBI, expanding the qualification criteria for a customer to be tapped by the microfinance sector, provide a potentially wider strike zone for all, eventually facilitating sector growth.

- Integration of Comprehensive Credit Report with microfinance loans will greatly help in improving the overall portfolio quality by optimising exposure levels and inculcating greater credit discipline.
- Better growth prospects coupled with improvement in portfolio quality post the COVID-19 pandemic will encourage investments and improve liquidity support for all lenders across the sector.
- Greater responsibility resting with the respective Boards of lenders will help strengthen corporate governance.

Currently, your Company notes a lot of potential for growth in various regions which are still untapped and where there are substantial needs, demands and opportunities for microfinance. Your Company intends to expand its reach and operations in the states where it is currently present and initiate work in new states by increasing business transactions through existing branches and establishing newer branches/offices in the near future.

Your Company shall continue to not only evaluate the opportunities that meet our strategic and financial return criteria but also strengthen our portfolio.

## **CHALLENGES**

Risk and challenges are inherent and integral to financial services in general and microfinance in particular. Some of the existing challenges faced by the country's microfinance institutions are:

- Alarmingly high inflation which impacts the income and repayment abilities of micro borrowers.
- Unpredictability of the COVID-19 waves, a major threat given the impact on the sector of the three COVID-19 waves since March 2020.
- Natural events like lower-than-expected monsoons, floods, cyclones, etc.
- Widespread dependency on the Indian banking system.
- Lack of enough awareness about financial services in the economic sector.

## **OUTLOOK**

The overall scenario of the country's microfinance industry has been improving and its future outlook seems impressive. Your Company also considers improving its on-ground services and providing extended support to customers whose lives have become very difficult because of these challenging circumstances mentioned above. Currently, your Company is focusing on the optimisation of funding costs, identification of potential business areas, widening geographical reach, use of technology, cost efficiencies, strict credit monitoring and raising customer service levels.

Given the strong uptick in fresh disbursements, the outlook of the microfinance sector is quite positive. Rural India has once again demonstrated its resilience against adversity and is leading from the front in ensuring higher credit offtake especially in the retail lending portfolio segments throughout the country. Driven by a strong latent demand, many of the players in this sector have seen relative new highs in their respective disbursement levels and a sustained improvement in collection efficiency levels.

The rollout of new guidelines for the Microfinance sector by RBI in March 2022 has added to the conviction in this sector, being welcomed by all the MFIs involved in micro lending business, namely NBFC-MFIs, NBFCs, banks, SFBs, etc. The new guidelines have directionally provided a 'level playing' field and removed the limits imposed selectively on pricing, overall exposure, number of lenders, ticket size, etc.

All the leading players in the microfinance sector are targeting its untapped potential with renewed enthusiasm. This augurs well for this sector in Financial Year 2023-24.

## **RISK AND CONCERNS**

Your Company, being involved in the business of micro lending, is susceptible to multiple risks like credit risks, operational risks, liquidity risks and regulatory risks. The Board of Directors of your Company is composed of professional Directors whose vast industry experience in risk management continues to be beneficial. The Directors are extremely well-versed when it comes to understanding

the risks specific to your Company. Your Company believes that managing risks helps in maximising returns. Hence, the instituted Risk Management framework of our company tends to reduce the company-specific risks quite effectively.

It must be mentioned that your Company has inserted adequate risk-checking mechanisms in compliance with the regulations framed by RBI, SEBI and MCA that are applicable to it. It also has a dedicated team that efficiently manages and mitigates such risks. Your Company also follows a conservative financial approach by following prudent business and risk management practices. Further, your Company has introduced sufficient cautionary procedures in its systems and processes to mitigate the adverse effects of risks.

Your Company has integrated risk management practices into its governance and operations. Appropriate systems and tools are in place for identifying, measuring, reporting and managing risks. Your Company follows the 'three lines of defence' approach for managing risks. At the first line of defence are the various Business and Support functions, the second line includes the Risk Management and Compliance function and the third line of defence comprises the Audit function.

All policies and processes of your Company have been designed to accommodate periodic reviews and mitigation of all the risks faced by it, including credit risks, market risks, operational risks, reputation risks, liquidity risks, technology risks, business and strategic risks, legal and compliance risks.

## **OPERATIONAL PERFORMANCE FOR THE FINANCIAL YEAR 2022-23**

The financial year under review was a year of consolidation and your Company registered a good performance in the same. From an operational perspective, your Company took important strides which promise to make its profitable growth sustainable. In light of our best efforts, there was a growth in the loan portfolio of your Company during the financial year under review. In such times of transition, our Company focused on developing the efficiency of our collection methods. Moreover, our incredible field force, supported by other team members, worked hard to bring your Company back on a positive growth trajectory. Your Company's dedicated team approached, interacted and meted out financial advice to its own customers through phone calls; eventually, collections improved considerably. Further, your Company focused its attention on the timely repayment of its own obligation and the strengthening of its internal control processes. It did not open any new branches during the year under review and its customer count stood at **145959** at the end of this year.

During the year under review, your Company also availed of credit facilities from banks for its microfinance operations.

On a further congratulatory note, your Company was assigned a positive rating by Acuité Ratings & Research Limited on bank Loans of INR 40000 lakhs during the Financial Year 2022-23. With an experienced and stable management team and an excellent Board of Directors, your Company is hopeful of performing well in the coming years.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company believes in maintaining a strong internal control framework and sees such a framework as an essential prerequisite for the growth of its business. It has well-documented policies, procedures and authorisation guidelines in place to ensure that all activities are monitored and controlled against any unauthorised use or disposition of assets and the misappropriation of

funds, as well as to ensure that all the relevant transactions are authorised, recorded, reported and monitored correctly. Your Company also has an effective system of accounting and administrative controls, being supported by an internal audit system with adequate internal checks and controls, to ensure the safety and detailed recordings of all Company's assets and their proper and authorised utilisation. As part of the effort to evaluate the effectiveness of its internal control systems, the Internal Auditors of your Company conduct audits of various departments and across all Company locations (penetrating all functional areas/key areas of operations), review and evaluate the adequacy and effectiveness of internal controls, ensure adherence to operating guidelines and systems and recommend improvements for strengthening them.

The Audit Committee of the Board of Directors, comprising Independent Directors, periodically reviews the internal audit reports, covering the findings, the adequacy of internal controls and the compliances applicable to your Company. The Audit Committee also meets Company's Statutory Auditors to ascertain their views on the financial statements, including those on the financial reporting system, on the compliance with accounting policies and procedures and on the adequacy and effectiveness of the internal controls and relevant systems followed by your Company. Your Company's management acts upon the observations and suggestions of the Audit Committee.

In the year under review, your Company's control systems were tested and no reportable material weakness in the operation or design of these systems was observed.

## **HUMAN RESOURCES**

Your Company is cognisant of the importance of human capital in a fast-evolving and high-growth industry like the one it operates in. Our people are our most important assets. Thus, your Company is committed to hiring and retaining the best talent. For this purpose, we focus on promoting a collaborative, transparent and participative/inclusive organisational culture, along with rewarding acts of merit and sustaining a high performance. Your Company also emphasises human resource management, which allows its employees to develop their skills and grow in their careers.

Furthermore, your Company has set up a well-structured induction process for new employees and also looks to provide adequate support to upskill its employees. Your Company constantly strives to strengthen its employees in alignment with its business needs and continues to engage them through various initiatives in the fields of learning and development opportunities, reward and recognition, employee engagement activities and career growth. Moreover, your Company has been able to leverage and digitise end-to-end processes ranging from sourcing, recruiting, on-boarding and engaging with people, thus reducing frictions with regard to your Company's operations. In addition, your Company strives for gender balance as a business imperative, knowingly well that gender balance and an increased number of women in leadership roles will help it deliver a sustainable growth.

Your Company has progressive Human Resource policies which promote a favourable work culture among its employees and encourage them to perform to their highest abilities.

Importantly, your Company experienced minimum attrition during the year under review and as of 31<sup>st</sup> March, 2023, the number of its employees stood at **720**.

## **CAUTIONARY STATEMENT**

Certain statements made in the Management Discussion and Analysis Report relating to your Company's objectives, projections, outlook, expectations, estimates and other aspects may be considered as progressive statements aligned with the applicable laws and regulations. The actual results may differ from such expectations, whether expressed or implied. Several factors could make a significant difference to your Company's operations; these include climatic and economic

conditions affecting demand and supply, government regulations and taxation, in addition to natural calamities over which your Company does not have any direct control.

For and on behalf of the Board of Directors

Dipankar Chatterji  
Chairman

Place: Kolkata  
Date : 12.05.2023





## Annexure 2

### Form No. MGT-9 EXTRACT OF ANNUAL RETURN

For the Financial Year ended on 31<sup>st</sup> March, 2023  
of  
JAGARAN MICROFIN PRIVATE LIMITED

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	U74210WB1993PTC057457
(ii)	Registration Date	21.06.2011
(iii)	Name of the Company	Jagaran Microfin Private Limited
(iv)	Category / Sub-Category of the Company	Private Company/ Limited by Shares
(v)	Address of the Registered Office and Contact Details	5 <sup>th</sup> Floor, 38 Hemanta Basu Sarani, Kolkata - 700001 Tel : 03322628207 Fax : Email : <a href="mailto:info@jagaranmf.com">info@jagaranmf.com</a> Website: <a href="http://www.jagaranmf.com">www.jagaranmf.com</a>
(vi)	Whether listed Company	Yes listed for NCD with BSE
(vii)	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	<b>Link Intime India Private Limited (for NCD)</b> 46-C, Jawaharlal Nehru Rd, Kankaria Estates, Bhowanipore, Kolkata, West Bengal 700071 Contact details - 033 22890539100  <b>CB Management Services Private Limited</b> P-22, Bondel Rd, Ballygunge Park, Ballygunge, Kolkata, West Bengal 700019 Contact details - <a href="tel:03340116700">033 4011 6700</a>

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

SI No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Financial and Related Services	9971	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

SI No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	GTFS Multi Services Limited 6 <sup>th</sup> Floor, 38 Hemanta Basu Sarani, Kolkata - 700001	U74140WB2003 PLC097206	Holding Company	72.09%	2(87)(ii)



(b) Individuals (i) Individual shareholding holding nominal share capital upto INR. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of INR. 1 lakh  Other (specify)  <b>Sub-total (B)(2):-</b> Total Public Shareholding (B)=(B)(1)+(B)(2)  <b>C. Shares held by Custodian for GDINR &amp; ADINR</b>  <b>Grand Total (A+B+C)</b>		37,70,200	37,70,200			37,42,700	37,42,700		
		48296200	48296200			51296200	51296200		

**(ii) Shareholding of Promoter**

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% change In share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	GTFS Multi Services Limited	3,48,15,600	72.09%	-	3,48,15,600	67.87%	-	4.22%
2.	Ms. Abira Majumder	37,10,400	7.68%	-	47,37,900	9.23%	-	1.55%
3.	Ms. Aatreyee Majumder	30,00,000	6.21%	-	40,00,000	7.79%	-	1.58%
4.	Mr. Adipta Majumder	30,00,000	6.21%	-	40,00,000	7.79%	-	1.58%
5.	Individuals	96,95,400	7.81%	-	97,10,400	7.32%	-	0.35%

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

SI No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	4,45,11,000	92.16	4,45,11,000	92.16

<b>2</b>	Date wise Increase / Decrease in Promoter Shareholding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	30,00,000	0.54	30,00,000	0.54
<b>3</b>	At the end of the year	4,75,53,500	92.70%	4,75,53,500	92.70%

**(iv) Shareholding Pattern of top ten Shareholders (other than Director, Promoter and Holder of GDINR and ADINR):**

Sl.No	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	At the beginning of the year	Nil	Nil	Nil	Nil
<b>2</b>	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
<b>3</b>	At the End of the year (or on the date of separation, if Separated during the year)	Nil	Nil	Nil	Nil

**(v) Shareholding of Director and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1.</b>	At the beginning of the year - Ms. Aatreyee Majumder Director	30,00,000	6.21%	30,00,000	6.21%
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):  Ms. Aatreyee Majumder Director  Allotment of new shares on 17.08.2022	10,00,000	1.58%	40,00,000	7.79%
<b>1.</b>	At the end of the year - Ms. Aatreyee Majumder Director	40,00,000	7.79%	40,00,000	7.79%

**V. INDEBTEDNESS**

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

**(INR in lakhs)**

Indebtedness at the beginning of the Financial Year	Secured Loans excluding	Unsecured Loans	Deposits	Total Indebtedness
---	-------------------------	-----------------	----------	--------------------

	deposits			
i) Principal Amount	30,417.14	500.00		30,917.14
ii) Interest due but not paid	378.81	0.43		379.25
iii) Interest accrued but not due			-	
<b>Total (i+ii+iii)</b>	30,795.96	500.43	-	31,296.39
<b>Change in Indebtedness during the Financial Year</b>				
• Addition	19350.00		-	-
• Reduction	21565.76			
<b>Net Change</b>	(2215.76)	-	-	-
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	28403.63	500.00	-	28,903.68
ii) Interest due but not paid	176.51	0.43		176.94
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	28580.19	500.43	-	29080.62

## VI. REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL

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

(INR in lakhs)

Sl. No.	Particular of Remuneration	Managing Director(INR)	Whole-time Director Ms. Aatreyee Majumder(INR)	CEO & Whole time Director Mr. Jaydeep Ghosh(INR)	Total Amount (INR)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under	37,28,444	34,67,700	34,67,700	1,06,63,844
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	. Commission - as % of profit - other, specify...	Nil	Nil	Nil	Nil
5.	Other, please specify	Nil	Nil	Nil	Nil
	Total				
	Ceiling as per the Act	11% of Net Profit	11% of Net Profit	11% of Net Profit	1,10,76,756

### B. Remuneration to other directors

(INR in lakhs)

Sl. No.	Particular of Remuneration	Name of Director (INR 50000/- and 15,000/-for 5 independent Director and 1 NEDs)	Total Amount(INR)
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Other, please specify	14,90,000	14,90,000
	Total (1)	14,90,000	14,90,000
2.	Other Non-Executive Director • Fee for attending board / committee meetings • Commission • Other, please specify	4,05,000	-

	Total (2)	4,05,000	4,05,000
	Total (B)=(1+2)	18,95,000	18,95,000

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

*(INR in lakhs)*

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary(INR)	CFO(INR)	CEO(INR)	Total(INR)
<b>1</b>	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	6,48,765	3,35,980	34,67,700	44,52,445
<b>2</b>	Stock Option	Nil	Nil	Nil	Nil
<b>3</b>	Sweat Equity	Nil	Nil	Nil	Nil
<b>4</b>	Commission - as % of profit - other, specify...	Nil	Nil	Nil	Nil
<b>5</b>	Other, please specify	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>6,48,765</b>	<b>3,35,980</b>	<b>34,67,700</b>	<b>44,52,445</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty					
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of Board of Directors

Dipankar Chatterji  
Chairman

Place: Kolkata  
Date: 12.05.2023



## **Annexure 3**

### **ANNUAL REPORT ON CSR ACTIVITIES**

#### **A BRIEF OUTLINE OF YOUR COMPANY'S CSR POLICY**

##### **POLICY STATEMENT**

In April 2014, India became one of the first countries to make Corporate Social Responsibility (CSR) mandatory, following the prescriptions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014. These governmental prescriptions allow companies to practice corporate citizenship and work towards fulfilling their social responsibilities. In this context, since its inception your Company has demonstrated an acute awareness of social circumstances and has committed itself to the economic empowerment of women.

Social scientists and economists have identified that the lack of stable incomes and financial independence has greatly contributed to gender inequality, resulting in the disenfranchisement of women. Keeping this in mind, in the last few years your Company, through various ventures, has facilitated the economic empowerment of several women and their families residing in the rural and semi-urban parts of West Bengal, Bihar, Jharkhand, Assam and Orissa. These ventures have helped them ensure a stable livelihood, support their families and improve the overall well-being of their communities. To ensure the socio-economic development of the local communities we work with, your Company has introduced various Corporate Social Responsibility (CSR) initiatives and shall continue to do the same in the future.

Further, as a socially responsible and environment-conscious corporate citizen, your Company contributes to social, educational and environmental causes on a regular basis. As part of our CSR endeavours, we are committed primarily to the following sectors:

- Promoting education
- Enabling access to proper healthcare and sanitation
- Fostering skill-based employment schemes for women and organising the associated training programmes.
- Facilitating the development of environment-friendly community practices

The ever-growing trajectory of our CSR activities demonstrates our sustained commitment to various social causes. We work towards and aim for the successful completion of all the projects we undertake. Additionally, your Company is committed to maintaining the highest standards of responsible corporate behaviour towards its investors, stakeholders and employees.

##### **ORGANISATION SETUP**

Your Company's CSR initiatives are formulated under the leadership of the Board's Committee on CSR, which involves four directors. The terms of reference of the Committee include the following:

- a) To formulate and recommend to the Board a CSR Policy which shall indicate the activities to be undertaken by your Company as specified in Schedule VII of the Companies Act, 2013 and the rules outlined thereunder.

- b) To recommend the amount of expenditure that can be devoted to the CSR activities undertaken by your Company.
- c) To monitor the implementation of the framework regarding CSR Policy.
- d) To carry out any other relevant function as mandated by the Board from time to time and/or that enforced by any statutory notification, amendment or modification, as may be applicable, necessary or appropriate regarding the successful performance of its duties.

## SCOPE OF ACTIVITIES

The CSR activities are subject to the provisions of Schedule VII of the Companies Act, 2013.

### Summary of the CSR activities undertaken during the Financial Year 2022-23:

(INR in lakhs)

SL No	Items	Total budget	Total Expense	Overspent/Unspent (+/-)
1	Education Programme ( Pre-primary )	7,50,000	7,77,565	(-) 27,565
2	Health Check-up & Awareness Camps	30,400	27,800	(+)2600
3	Skill Development Training on Tailoring(SDT)	20,000	42,368	(-) 22,368
4	Entrepreneurship Dev. Programs(EDP)	-	-	-
5	Social Security Programme with Govt. of India	-	-	-
6	Financial literacy & Inclusion Programs	8,000	1,32,373	(-) 1,24,373
7	Group Leadership Training Programs	-	-	-
8	Merit Scholarship	5,42,000	3,36,500	(+) 2,05,500
9	Admin Costs	1,01,600	1,01,600	-
10	PMNRF (Over-spent from last year)	5,80,000	5,80,000	-
11	PMNRF (Current year)	-	-	-
12	Others(Bandhu, Assam Relief)	-	100500	(-) 1,00,500
<b>TOTAL</b>		<b>20,32,000</b>	<b>20,98,706</b>	<b>(-)66,706</b>

### DETAILS OF CSR EXPENDITURE DURING THE FINANCIAL YEAR 2022-23

(INR in lakhs)

Particulars	Amount
Amount outlay (budgeted)	20,32,000.00
Amount spent on projects	20,98,706.00
<b>Excess amount spent</b>	<b>66,706.00</b>



For and on behalf of the Board of Directors

Dipankar Chatterji  
Chairman

Place: Kolkata  
Date: 12.05.2023

## INDEPENDENT AUDITORS' REPORT

### THE MEMBERS OF JAGARAN MICROFIN PRIVATE LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

We have audited the accompanying financial statements of Jagaran Microfin Private Limited (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time (hereinafter referred to as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (hereinafter referred to as "SAs") notified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (hereinafter referred to as "the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have considered the matters described below to be the key audit matters for incorporation in our report.

We have fulfilled the responsibilities described in the "Auditors' responsibilities for the Audit of the Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The result of our audit procedures, including the procedures performed to address the matters below, provide the basis for our opinion on the accompanying financial statements.

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
1.	The management estimates impairment provision using ECL model for the loan exposure. Recognition and measurement of impairment of loans involve significant management judgement. The Company's impairment allowance is derived from estimates including the historical defaults and expected recovery against outstanding amounts.	Our audit procedures based on which we arrived at the conclusion regarding reasonableness: <ul style="list-style-type: none"> <li>Obtaining an understanding of the model adopted by the Company for calculation of expected credit losses and the appropriateness of the data on which the calculation is based;</li> <li>Tested the key assumptions used by the Company in the ECL Model. Tested the input data used for determining the Probability of Default (PD) and Loss Given Default (LGD) rates and agreed the data with the books of accounts and records.</li> </ul>



Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
	<p>Collective impairment allowances are calculated using ECL model which approximates credit conditions on homogeneous portfolio of loans.</p> <p>The aforesaid involves significant management estimates/ judgements and hence identified as Key Audit Matter.</p>	<ul style="list-style-type: none"> <li>Tested samples for staging of loans based on their past-due status to check compliance in respect of the requirements of Ind As 109.</li> <li>Tested the calculation of the workings of the expected credit losses;</li> <li>Evaluated the appropriateness, in accordance with the applicable accounting standard and approved policies as per the Reserve Bank of India (hereinafter referred to as "the RBI") guidelines, of the determination of significant increase in credit risk on account of moratorium and restructuring benefit extended.</li> </ul> <p>This, being technical matter, reliance has been placed on the management's assumption for recovery etc. in future.</p>

#### **INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON**

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report with respect to the above.

#### **RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards notified under section 133 of the Act read with relevant rules issued thereunder from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.



## **AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2020 (hereinafter referred to as "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.



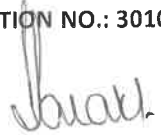
2. Further to our comments in the annexure referred to in the paragraph above, as required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards notified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;
  - e) On the basis of the written representations received from the Directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164(2) of the Act; and
  - f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal control with reference to the financial statements of the Company.
3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, in our opinion and to the best of our information and according to the explanations given to us:
  - i. Pending litigations (other than those already recognized in the financial statements) having material impact on the financial position of the Company have been disclosed in the financial statements as required in terms of accounting standards and provisions of the Act- refer note no. 31 to the financial statements;
  - ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company;
  - iv. a. The Company receives the fund and advances the same as loan as part of its normal business activities and as such, has represented that, to the best of its knowledge and belief as disclosed in note no. 40C to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b. The management has represented that, to the best of its knowledge and belief as disclosed in note no. 40C to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, as provided under (a) and (b) above, contain any material misstatement;
  - v. The Company has neither declared nor paid any dividend during the financial year; and





- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended from time to time, for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 01, 2023 and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, is not applicable for the financial year ended March 31, 2023.
4. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended from time to time, in our opinion and to the best of our information, the Company is a private limited company and hence, provisions of section 197 of the Act are not applicable.

**FOR LODHA & CO  
CHARTERED ACCOUNTANTS  
FIRM'S REGISTRATION NO.: 301051E**



**BOMAN R PARAKH  
(PARTNER)  
MEMBERSHIP NO.: 053400  
UDIN: 23053400BGSCMR1845**



PLACE: Kolkata  
DATE: May 12, 2023

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the members of Jagaran Microfin Private Limited)**

- i. In respect of the Company's Property, plant and equipment and intangible assets
  - a. A. The Company has maintained proper records showing full particulars, including quantitative details and situations of its Property, plant and equipment; and  
B. The Company has maintained proper records showing full particulars of Intangible assets;
  - b. During the year, Property, plant and equipment have been physically verified by the management pursuant to a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
  - c. According to the information and explanations given to us and based on our examination of the relevant records of the Company, the Company does not hold any immovable properties in the nature of freehold or leasehold land and building. Accordingly, reporting under clause (i)(c) of paragraph 3 of the Order is not applicable to the Company;
  - d. The Company has not revalued any of its Property, plant and equipment and Intangible assets during the year. The Company does not have any Right-of-use assets. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable to the Company; and
  - e. According to the information and explanations given to us and as represented by the management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, as amended from time to time. Accordingly, reporting under clause (i)(e) of paragraph 3 of the Order is not applicable to the Company.
- ii. According to the information and explanations given to us and based on our examination of the books of account of the Company:
  - a. The Company is a Non-Banking Financial Company (hereinafter referred to as "NBFC"), primarily engaged in the business of lending and accordingly, does not hold any inventories. Accordingly, reporting under clause (ii)(a) of paragraph 3 of the Order is not applicable to the Company; and
  - b. The Company has not been sanctioned any working capital limit on the basis of security of Current Assets of the Company at any point of time during the year. Accordingly, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable to the Company.
- iii. a. According to the information and explanation given to us and based on our examination of the books of account of the Company, the principal business of the Company is to grant loan and accordingly clause (iii)(a) of paragraph 3 of the Order is not applicable to the Company;
- b. The Company, being a NBFC, registered under provisions of the Reserve Bank of India Act, 1934 (hereinafter referred to as "the RBI Act"). In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of all loans provided during the year are, prima facie, not prejudicial to the Company's interest. The Company has not made any investments or provided any guarantee or security and has also not granted any advances in the nature of loans during the year;
- c. The Company, being a NBFC, registered under provisions of the RBI Act and rules made thereunder, in pursuance of its compliance with provisions of the said Act/ Rules, particularly in respect of the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers. In our opinion and according to the information and explanations given to us, in respect of loans, the terms of repayment of principal and payment of interest has been stipulated and in certain cases repayment of principal and payment of interest has not been made in accordance with such stipulation. Refer note no. 41.8 to the financial statements for summarized details of such loans and categorization thereof based on record of recovery. The Company has not granted any advances in the nature of loans during the year;



- d. The Company, being a NBFC, registered under provisions of RBI Act and Rules made thereunder, in pursuance of its compliance with provisions of the said Act/ Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and reports total amount overdue including principal and/ or payment of interest by its customers for more than 90 days. The following table shows the details of principal and interest amount overdue for more than 90 days. According to the information and explanation made available to us, reasonable steps have been taken by the Company for recovery thereof;

No. of cases	Principal amount overdue	Interest overdue	Total overdue	Remarks
11,305	1,182.74	463.62	1,646.36	Reasonable steps for collection of the same is being taken by the Company.

- e. According to the information and explanation given to us and based on our examination of the books of account of the Company, the principal business of the Company is to grant loan and accordingly, clause (iii)(e) of paragraph 3 of the Order is not applicable to the Company; and
- f. According to the information and explanation given to us and based on our examination of the books of account, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186(1) of the Act, the other provisions of section 186 of the Act are not applicable to the Company. According to the information and explanation given to us and based on our examination of the books of account, the Company has not granted any loan or provided any guarantee or security as covered under section 185 of the Act and accordingly, reporting in this respect is not applicable to the Company.
- v. According to the information and explanations given to us and based on our examination of the books of account, the Company being a NBFC registered with the RBI, the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended from time to time, with regard to acceptance of deposits are not applicable to the Company. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for the business activities carried out by the Company. Accordingly, reporting under clause (vi) of paragraph 3 of the Order is not applicable to the Company.
- vii. According to the information and explanations given to us and based on our examination of the books of account:
- During the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable to it. There are no undisputed amounts in respect of provident fund, employees' state insurance, income tax, goods and services tax, sales tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable; and
  - There are no statutory dues referred to in clause (vii)(a) hereinabove which have not been deposited on account of any dispute.
- viii. In our opinion and on the basis of information and explanations given to us and as represented by the management, we have neither come across nor have been informed of transactions which were previously not recorded in books of account and that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) and accordingly reporting under clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix. In our opinion and on the basis of information and explanations given to us by the management and based on our examination of the books of account of the Company:
- During the year, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender;
  - The Company has not been declared wilful defaulter by any bank or financial institution or any other lenders;





- c. The Company has utilized the money obtained by way of term loans from bank during the year for the purposes for which they were obtained, other than temporary parking in current account for a few days at the end of the year, pending utilization towards purposes for which the same was obtained.
- d. The Company has not raised any funds on short term basis during the year and accordingly, reporting under clause (ix)(d) of paragraph 3 of the Order is not applicable to the Company; and
- e. The Company does not have any subsidiary, associate or joint venture and accordingly, reporting under clauses (ix)(e) and (ix)(f) of paragraph 3 of the Order is not applicable to the Company.
- x. According to the information and explanations given to us and based on our examination of the books of account of the Company:
  - a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and accordingly, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable to the Company; and
  - b. The Company has made preferential allotment of shares in accordance with the requirements of section 62 of the Act and funds raised in this respect have been utilized for the purposes for which they were raised. The Company has not made any preferential allotment or private placement of convertible debentures (fully, partially or optionally convertible) during the year.
- xi. a. During the course of our examination of books and records of the Company carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such cases by the management;
- b. According to the information and explanations given to us and based on our examination of the books and records of the Company, no report under sub-section (12) of section 143 of the Act, has been filed in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, with the Central Government. Accordingly, reporting under clause (xi)(b) of paragraph 3 of the Order is not applicable to the Company; and
- c. According to the information and explanation given to us and based on our examination of the books of account of the Company, no whistle blower complaints have been received during the year by the Company. Accordingly, reporting under clause (xi)(c) of paragraph 3 of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clauses (xii)(a), (xii)(b) and (xii)(c) of paragraph 3 of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. a. The Company has appointed a firm of Chartered Accountants to carry out the internal audit of the Company. In our opinion and according to the information and explanations given to us, the internal audit system is commensurate with the size and nature of its business; and
- b. We have considered, during the course of our audit, the reports of the internal auditor for the year under audit, issued to the Company during the year and till date, in determining the nature, timing, and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
- xv. According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them and accordingly, reporting under clause (xv) of paragraph 3 of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us and as represented to us by the management and based on our examination of the books and records of the Company:
  - a. The Company is required to be registered under Section 45-IA of the RBI Act and the Company has obtained the required registration;



- b. The Company has not conducted any non-banking financial or housing finance activities without obtaining a valid Certificate of Registration (CoR) from the RBI as per the RBI Act;
  - c. The Company is not a Core Investment Company as defined in the Core Investment Companies (Reserve Bank) Directions, 2016, as amended from time to time, issued by the RBI. Accordingly, reporting under clause (xvi)(c) of paragraph 3 of the Order is not applicable to the Company; and
  - d. Based on the representation received by us from the management, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause (xvi)(d) of paragraph 3 of the Order is not applicable to the Company.
- xvii. Based on the examination of the books of accounts we report that the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and based on the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities (refer note no. 39 to the financial statements detailing the maturity analysis of assets and liabilities) and other information accompanying the financial statements, and our knowledge of the Board of Directors and management plans and based on our examination of the evidences supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither given any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our examination of the books and records of the Company there are no unspent amount towards Corporate Social Responsibility on either ongoing projects or other than ongoing projects as stated in section 135 of the Act and accordingly, reporting under clauses (xx)(a) and (xx)(b) of paragraph 3 of the Order are not applicable to the Company.
- xxi. The reporting under clause (xxi) of paragraph 3 of the Order is not applicable to the Company in the absence of any subsidiary, associate or joint venture.



PLACE: Kolkata  
DATE: May 12, 2023

**FOR LODHA & CO**  
**CHARTERED ACCOUNTANTS**  
**FIRM'S REGISTRATION NO.: 301051E**

**BOMAN R PARAKH**  
**(PARTNER)**  
**MEMBERSHIP NO.: 053400**  
**UDIN: 23053400BGSCMR1845**

**ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in point (f) of paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the members of Jagaran Microfin Private Limited)**

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (hereinafter referred to as "the Act")**

We have audited the internal financial controls with reference to financial statements of Jagaran Microfin Private Limited (hereinafter referred to as "the Company") as at March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to the financial statements 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 (hereinafter referred to as "the Guidance Note") issued by the Institute of Chartered Accountants of India (hereinafter referred to as "the 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, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing notified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards on Auditing 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 with reference to the financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

**MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

A Company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to the financial statements 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 the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 WITH REFERENCE TO THE FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to the financial statements, 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 with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**OPINION**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to the financial statements 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: Kolkata

DATE: May 12, 2023

**FOR LODHA & CO**  
**CHARTERED ACCOUNTANTS**  
**FIRM'S REGISTRATION NO.: 301051E**

A handwritten signature in black ink, appearing to read "Boman R Parakh".

**BOMAN R PARAKH**  
**(PARTNER)**

**MEMBERSHIP NO.: 053400**  
**UDIN: 23053400BGSCMR1845**

**JAGARAN MICROFIN PRIVATE LIMITED**  
**CIN : U74210WB1993PTC057457**  
**BALANCE SHEET AS AT MARCH 31, 2023**

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	4	2,133.33	3,055.61
Bank balances other than cash and cash equivalents	5	4,566.15	4,300.42
Investment		-	-
Trade receivables	6	68.57	-
Loans	7	33,887.69	29,725.02
Other financial assets	8	2,815.29	289.82
<b>Non-financial assets</b>			
Current tax assets (net)	9	217.36	155.53
Deferred tax assets (net)	10	793.46	852.53
Property, plant and equipment	11	38.51	66.20
Other intangible assets	12	22.78	25.79
Other non-financial assets	13	73.19	74.25
<b>TOTAL ASSETS</b>		<b>44,616.33</b>	<b>38,545.17</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Payables			
(I) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	14	7.39	14.71
Debt securities	15	1,929.31	4,304.74
Borrowings (other than debt securities)	16	30,015.69	23,992.03
Subordinated liabilities	17	500.42	500.42
Other financial liabilities	18	1,725.49	219.09
<b>Non-financial liabilities</b>			
Provisions	19	119.11	108.21
Other non-financial liabilities	20	56.78	34.76
<b>EQUITY</b>			
Equity share capital	21	5,129.62	4,829.62
Other equity	22	5,132.52	4,541.59
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>44,616.33</b>	<b>38,545.17</b>

The accompanying notes 1-45 form an integral part of the financial statements.

As per our report of even date attached

**For LODHA & CO**

Chartered Accountants

Firm's Registration No.: 301051E

*Boman R Parakh*

**Boman R Parakh**

Partner

Membership No.: 053400

Place: Kolkata

Date: May 12, 2023



**For and on behalf of the Board of Directors of  
Jagaran Microfin Private Limited**

*Tanusree Ghosh*  
**Tanusree Ghosh**  
 Company Secretary

*Aatreyee Majumder*  
**Aatreyee Majumder**  
 Whole Time Director  
 DIN: 08363766

*Arun Gupta*  
**Arun Gupta**  
 Chief Financial Officer

*Sourav Ghosh*  
**Sourav Ghosh**  
 Managing Director  
 DIN: 08154243

Place: Kolkata  
 Date: May 12, 2023



**JAGARAN MICROFIN PRIVATE LIMITED**

CIN : U74210WB1993PTC057457

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023**

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue from operations</b>			
Interest income	23	6,516.49	6,476.72
Dividend income	24	52.36	28.10
Fees and commission income	25	15.10	-
<b>Total revenue from operations</b>		<b>6,583.95</b>	<b>6,504.82</b>
Other income	26	407.61	2,233.89
<b>TOTAL INCOME</b>		<b>6,991.56</b>	<b>8,738.71</b>
<b>Expenses</b>			
Finance costs	27	3,688.93	3,343.49
Employee benefits expense	28	1,771.81	1,724.66
Depreciation and amortisation expense	29	47.16	36.87
Other expenses	30	1,126.90	3,119.69
<b>TOTAL EXPENSES</b>		<b>6,634.80</b>	<b>8,224.71</b>
<b>Profit before tax</b>		<b>356.76</b>	<b>514.00</b>
<b>Tax expense</b>			
(a) Current tax		-	-
(b) Deferred tax	10	60.95	149.35
<b>Total tax expense</b>		<b>60.95</b>	<b>149.35</b>
<b>Profit for the year</b>		<b>295.81</b>	<b>364.65</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(i) Re-measurements of the defined benefit plans		(6.76)	2.01
(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss		1.88	(0.51)
<b>Total other comprehensive income for the year, net of tax</b>		<b>(4.88)</b>	<b>1.50</b>
<b>Total comprehensive income for the year (comprising profit and other comprehensive income for the year)</b>		<b>290.93</b>	<b>366.15</b>
<b>Earnings per equity share (Par value of ₹ 10/- each)</b>			
Basic and diluted earnings per share (₹)	33	0.58	0.76

The accompanying notes 1-45 form an integral part of the financial statements.

As per our report of even date attached

**For LODHA & CO**

Chartered Accountants

Firm's Registration No.: 301051E


**Boman R Parakh**

Partner

Membership No.: 053400

Place: Kolkata

Date: May 12, 2023



  
**Tanusree Ghosh**

Company Secretary


**Arun Gupta**

Chief Financial Officer

Place: Kolkata

Date: May 12, 2023

**For and on behalf of the Board of Directors of  
Jagaran Microfin Private Limited**

**Aatreyee Majumder**

Whole Time Director

DIN: 08363766


**Sourav Ghosh**

Managing Director

DIN: 08154243

**JAGARAN MICROFIN PRIVATE LIMITED**
**CIN : U74210WB1993PTC057457**
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023**

(All amount in ₹ lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit before tax	356.76	514.00
	Adjustments for:		
	Depreciation and amortisation expense	47.16	36.87
	Dividend income	(52.36)	(28.10)
	Interest income on deposits	(276.40)	(309.00)
	Sundry assets written off	131.65	2,217.47
	Liabilities no longer required written back	(11.76)	(53.30)
	Provision no longer required written back	(10.44)	(2,154.05)
	<b>Operating profit before working capital changes</b>	<b>184.61</b>	<b>223.89</b>
	<b>Adjustment for changes in operating assets &amp; liabilities</b>		
	<u>Adjustments for (increase)/ decrease in operating assets:</u>		
	Loans	(4,273.53)	2,294.93
	Trade receivables	(68.57)	-
	Other financial assets	(46.45)	1.78
	Other non-financial assets	1.06	(19.89)
	<u>Adjustments for increase/ (decrease) in operating liabilities:</u>		
	Trade payables	4.44	(162.67)
	Provisions	(16.89)	(9.14)
	Other financial liabilities	1,503.87	9.70
	Other non-financial liabilities	22.02	(4.45)
	<b>Cash (used in)/ generated from operations</b>	<b>(2,689.44)</b>	<b>2,334.15</b>
	Income tax paid	(61.83)	(437.54)
	<b>Net cash (used in)/ generated from operating activities</b>	<b>(2,751.27)</b>	<b>1,896.61</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of property, plant and equipment	(13.93)	(7.11)
	Purchase of investment in mutual fund	(21,437.14)	(12,311.08)
	Sale of investment in mutual fund	21,437.14	12,311.08
	(Investment in)/redemption of deposits with banks & NBFCs (net)	(2,734.08)	1,225.18
	Interest received on deposits	276.41	308.11
	Dividend received	52.36	28.10
	<b>Net cash (used in)/ generated from investing activities</b>	<b>(2,419.24)</b>	<b>1,554.28</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Issue of share capital	600.00	-
	Proceeds from borrowings from banks and NBFCs	26,460.00	19,350.00
	Repayment of borrowings to banks and NBFCs	(22,811.77)	(21,667.55)
	<b>Net cash (used in)/ generated from financing activities</b>	<b>4,248.23</b>	<b>(2,317.55)</b>
	<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>(922.28)</b>	<b>1,133.34</b>
	Cash and cash equivalents as at the beginning of the year (Refer note no. 4)	3,055.61	1,922.27
	<b>Cash and Cash Equivalents as at the end of year (Refer note no. 4)</b>	<b>2,133.33</b>	<b>3,055.61</b>

**Additional notes**

1 The above cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7 "Statement of Cash Flows".

2 Cash and cash equivalents as at the balance sheet date consists of :

	Particulars	As at March 31, 2023	As at March 31, 2022
	Cash on hand	8.32	36.67
	Balances with banks - in current accounts	1,922.08	3,018.94
	Balances with banks - In term deposits	202.93	-
		<b>2,133.33</b>	<b>3,055.61</b>

**3 Reconciliation of liabilities arising from financing activities**

	Particulars	As at March 31, 2022	Cash flows	Non-cash items	As at March 31, 2023
	Debt securities	4,304.74	(2,375.43)	-	1,929.31
	Borrowings (other than debt securities)	23,992.03	5,793.31	230.35	30,015.69
	Subordinated liabilities	500.42	-	-	500.42



**JAGARAN MICROFIN PRIVATE LIMITED**

**CIN : U74210WB1993PTC057457**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023**

(All amount in ₹ lakhs, unless otherwise stated)

- 4 Cash and cash equivalents do not include any amount which is not available to the company except the balance with banks in term deposit which has lien against a term loan and the same has since been released in the month of April, 2023.
- 5 Company has incurred Rs. 15.19 (previous year Rs. 48.29) in cash on account of corporate social responsibility (CSR) expenditure.
- 6 As breakup of cash and cash equivalents is also available in note no. 4, reconciliation of items of cash and cash equivalents as per cash flow statement with respective items reported in the balance sheet is not required and hence not provided.

The accompanying notes 1-45 form an integral part of the financial statements.

As per our report of even date attached

**For LODHA & CO**

Chartered Accountants

Firm's Registration No.: 301051E



**Boman R Parakh**

Partner

Membership No.: 053400

Place: Kolkata

Date: May 12, 2023



  
**Tanusree Ghosh**

Company Secretary



**Arun Gupta**

Chief Financial Officer

Place: Kolkata

Date: May 12, 2023

**For and on behalf of the Board of Directors of  
Jagaran Microfin Private Limited**



**Aatreyee Majumder**

Whole Time Director

DIN: 08363766



**Sourav Ghosh**

Managing Director

DIN: 08154243



**JAGARAN MICROFIN PRIVATE LIMITED**

CIN : U74210WB1993PTC057457

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023**

(All amount in ₹ lakhs, unless otherwise stated)

**(A) Equity share capital**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance as at the beginning of the year	4,829.62	4,829.62
Changes in equity share capital during the year	300.00	-
Balance as at the end of the year	5,129.62	4,829.62

**(B) Other equity**

Particulars	Reserves and surplus			Other comprehensive income	Total
	Securities premium	Statutory reserves	Retained earnings	Remeasurement of net defined benefit plans	
<b>As at March 31, 2022</b>	<b>855.13</b>	<b>1,205.62</b>	<b>2,480.84</b>	-	<b>4,541.59</b>
Proceeds from issue of share capital	300.00	-	-	-	300.00
Profit for the year	-	-	295.81	-	295.81
Other comprehensive income for the year	-	-	-	(4.88)	(4.88)
Transfer to/ (from) retained earnings	-	-	(4.88)	4.88	-
<b>Total comprehensive income for the year</b>	-	-	<b>290.93</b>	-	<b>290.93</b>
Transferred to statutory reserve	-	59.16	(59.16)	-	-
<b>As at March 31, 2023</b>	<b>1,155.13</b>	<b>1,264.78</b>	<b>2,712.61</b>	-	<b>5,132.52</b>
<b>As at March 31, 2021</b>	<b>855.13</b>	<b>1,132.69</b>	<b>2,187.62</b>	-	<b>4,175.44</b>
Profit for the year	-	-	364.65	-	364.65
Other comprehensive income for the year	-	-	-	1.50	1.50
Transfer to/ (from) retained earnings	-	-	1.50	(1.50)	-
<b>Total comprehensive income for the year</b>	-	-	<b>366.15</b>	-	<b>366.15</b>
Transferred to statutory reserve	-	72.93	(72.93)	-	-
<b>As at March 31, 2022</b>	<b>855.13</b>	<b>1,205.62</b>	<b>2,480.84</b>	-	<b>4,541.59</b>

The accompanying notes 1-45 form an integral part of the financial statements.

As per our report of even date attached

**For LODHA & CO**

Chartered Accountants

Firm's Registration No.: 301051E

**Boman R Parakh**

Partner

Membership No.: 053400

Place: Kolkata

Date: May 12, 2023

**For and on behalf of the Board of Directors of****Jagaran Microfin Private Limited****Tanusree Ghosh**

Company Secretary

**Arun Gupta**  
Chief Financial Officer

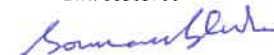
Place: Kolkata

Date: May 12, 2023

**Aatreyee Majumder**

Whole Time Director

DIN: 08363766

**Sourav Ghosh**

Managing Director

DIN: 08154243

**JAGARAN MICROFIN PRIVATE LIMITED****CIN: U74210WB1993PTC057457****Notes to the financial statements for the year ended March 31, 2023****1. Corporate information**

Jagaran Microfinance Private Limited ('the Company') is incorporated under the provisions of the Companies Act, 1956. The Company is registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') and has got classified as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with effect from September 27, 2013.

The Company is engaged primarily in providing micro finance services to women who are enrolled as members and organized as Joint Liability Groups ('JLG').

**2. Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on a historical cost basis, except for certain items which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services. The financial statements are presented in Indian Rupees (INR), except when otherwise indicated.

**2.1. Presentation of financial statements**

The company presents its Balance Sheet in order of liquidity. An analysis regarding maturity of assets and liabilities within 12 months and more than 12 months after the reporting date is presented in Note No. 39.

The company prepares and presents its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Cash Flow Statement has been prepared as per the requirements of IND AS 7 "Statement of Cash Flows". The financial statements of the Company are prepared with the Companies (Indian Accounting Standards) Rules, 2015 under section 133 of the Act and relevant amendment rules issued thereafter ("IND AS").

The financial statements are prepared on a going concern basis as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

Accounting policies are consistently applied except where a newly- issued Ind AS initially adopted or a revision to an existing Ind AS requires a change in the accounting policy.

The Company generally reports financial assets and financial liabilities on a gross basis in the balance sheet. They are offset and reported net only where Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis where permitted by Ind AS specifically.

**2.2. Presentation and functional currency**

The financial statements are presented in Indian Rupees which is the functional and the presentation currency of the Company and all values are rounded to the nearest Lakhs with two decimals, except when otherwise stated.

**2.3. Critical accounting estimates and judgements**

The preparation of the Company's financial statements requires Management to make use of estimates and judgements. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based. Accounting estimates and judgements are used in various line items in the financial statements for e.g.:



**JAGARAN MICROFIN PRIVATE LIMITED**

**CIN: U74210WB1993PTC057457**

**Notes to the financial statements for the year ended March 31, 2023**

- Business model assessment (Refer Note no. 3.13)
- Effective interest rate (EIR) (Refer Note no. 3.1.2)
- Impairment of financial assets (Refer Note no. 3.14)
- Provisions (Refer Note no. 3.8)
- Contingent liabilities and assets (Refer Note no.3.9)
- Provision for tax expenses (Refer note no. 3.11)
- Residual value and useful life of property, plant and equipment (Refer Note no. 3.6.1)

**2.4. Recent pronouncements**

**New and revised standards adopted by the company**

Effective April 01, 2022, the company has adopted the amendments vide Companies (Indian Accounting Standard) Amendment Rules, 2022 notifying amendment to existing Ind AS. These amendments to the extent relevant to the company's operation were relating to Ind AS 16 "Property, Plant and Equipment" which clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment and Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" which specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

There were other amendments in various standards including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations", Ind AS 109 "Financial Instruments", and Ind AS 41 "Agriculture" which have not been listed herein above since these are not relevant to the company.

Revision in these standards did not have any material impact on the profit/loss and earning per share for the year.

**Standards issued but not yet effective**

On March 31, 2023, Ministry of Corporate Affairs (MCA) has made certain amendments to existing Ind AS vide Companies (Indian Accounting Standard) Amendment Rules, 2023. These amendments to the extent relevant to the company's operation include amendment to Ind AS 1 "Presentation of Financial Statements" which requires the entities to disclose their material accounting policies rather than their significant accounting policies, Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" which has introduced a definition of 'accounting estimates' and include amendments to help entities distinguish changes in accounting policies from changes in accounting estimates. Further consequential amendments with respect to the concept of material accounting policies have also been made in Ind AS 107 "Financial Instruments: Disclosures" and Ind AS 34 "Interim Financial Reporting".

There are other amendments in various standards including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations, Ind AS 109 "Financial Instruments", Ind AS 115 "Revenue from Contracts with Customers", Ind AS 12 "Income Taxes" which has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences and Ind AS 102 "Share-based Payment" which have not been listed herein above since these are not relevant to the company.

Even though the company will evaluate the impact of above, none of these amendments as such are vital in nature and are not likely to have material impact on the financial statements of the company.

**3. Summary of significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**3.1. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured and there exists reasonably certainty of its recovery.



**JAGARAN MICROFIN PRIVATE LIMITED**

**CIN: U74210WB1993PTC057457**

**Notes to the financial statements for the year ended March 31, 2023**

**3.1.1. Interest income**

Interest income for all financial instruments is measured at amortized cost and recorded using the effective interest rate (EIR) applicable. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

Interest on financial assets at fair value through profit or loss (FVTPL) is recognized in accordance with the contractual terms of the instrument.

Dividend income is recognized when the right to receive payment is established.

The Company recognizes gains on fair value change of financial assets measured at FVTPL and realized gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

**3.1.2. Other income**

The company recognizes revenue from contracts with customers (other than Financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The company identifies contract(s) with a customer and its performance obligation under the contract, determines the transaction price and its allocation to the performance obligation in the contract and recognizes revenue only on satisfactory completion of performance obligation in the contract and recognizes revenue only on satisfactory completion of performance obligation. Revenue is measured at the fair value of the consideration received or receivable.

**Miscellaneous Income**

Miscellaneous income represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

**3.2. Finance cost**

Borrowing cost on financial liabilities are recognized by applying the EIR.

**3.3. Cash and cash equivalents**

Cash and cash equivalents, comprise cash in hand, cash at bank and short-term investments with an original maturity of three months or less, that are readily convertible to insignificant risk of changes in value.

**3.4. Property, plant and equipment ('PPE') initial recognition and measurement:**

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

**3.5. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.



**JAGARAN MICROFIN PRIVATE LIMITED**

CIN: U74210WB1993PTC057457

Notes to the financial statements for the year ended March 31, 2023

**3.6. Depreciation and amortization****3.6.1. Depreciation**

Depreciation on property, plant and equipment is measured using the straight line method as per the useful lives of the assets estimated by the management. The useful life estimated by the management is as under:

Category of Asset	Useful Life (Years)
Furniture and fittings	10
Office equipment	05
Vehicles	08
Computers (including Servers)	03

**3.6.2. Amortization**

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The management has determined its estimate of useful economic life as five years. The useful lives of intangible assets are reviewed at each financial year and adjusted.

**3.7. Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining the net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

**3.8. Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a 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.

**3.9. Contingent liabilities and assets**

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. 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 contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

**3.10. Retirement and other employee benefits****3.10.1. Defined contribution plan**

Retirement benefits in the form of provident fund and superannuation are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognizes the contribution payable to the respective funds as expenditure, when an employee renders the related service.





**JAGARAN MICROFIN PRIVATE LIMITED**

**CIN: U74210WB1993PTC057457**

**Notes to the financial statements for the year ended March 31, 2023**

**3.10.2 Defined benefit plan**

Gratuity liability 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 year. Gains or losses through remeasurements of net benefit liabilities/ assets are recognized with corresponding charge/credit to the retained earnings through other comprehensive income in the period in which they occur.

**3.10.3 Other employee benefits**

The Company treats accumulated leave expected to be carried forward beyond twelve months as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

**3.11. Taxes**

**3.11.1. Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside the statement profit or loss is recognized outside the statement profit or loss (either in other comprehensive income or in equity).

**3.11.2. Deferred tax**

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement profit or loss is recognized outside the statement profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**3.12. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.



**JAGARAN MICROFIN PRIVATE LIMITED**

**CIN: U74210WB1993PTC057457**

**Notes to the financial statements for the year ended March 31, 2023**

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 period are adjusted for the effects of all dilutive potential equity shares.

**3.13. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**3.13.1. Financial assets**

**3.13.1.1. Initial recognition and measurement**

Financial assets are initially recognized on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets (not measured subsequently at fair value through profit or loss) are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that does not contain a significant financing component are measured at transaction price.

**3.13.1.2. Classification and subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in three categories:

- Loans at amortized cost
- Loans at fair value through other comprehensive income (FVTOCI)
- Investments in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

**3.13.1.3. Loans at amortized costs**

Loans are measured at the amortized cost if both the following conditions are met:

- a. Such loan is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method less impairment.

Amortized cost is calculated by taking into account fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit and loss.

**3.13.1.4. Investment in mutual funds at amortized cost**

Investments in liquid mutual funds are measured at amortized cost and is classified as FVTPL by accounting for any gain/loss during the period.

**3.13.2. Financial liabilities**

**3.13.2.1. Initial recognition and measurement**

Financial liabilities are classified and measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as such on initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortized cost.

**3.13.2.2. Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. The EIR amortization is included as finance costs in the statement of profit and loss.



**JAGARAN MICROFIN PRIVATE LIMITED**

**CIN: U74210WB1993PTC057457**

**Notes to the financial statements for the year ended March 31, 2023**

**3.13.3. Reclassification of financial assets and liabilities**

The company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

**3.13.4. De-recognition of financial assets and liabilities**

**3.13.4.1. De-recognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognized when the rights to receive cash flows from the financial asset have expired. The Company also de-recognizes the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Company has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset Or
- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:

- The Company has transferred substantially all the risks and rewards of the asset or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognized only to the extent of the Company's continuing involvement, in which case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognized in the statement of profit or loss account.

**3.13.4.2. De-recognition of financial liabilities**

Financial liability is de-recognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the re-cognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.





**JAGARAN MICROFIN PRIVATE LIMITED**

**CIN: U74210WB1993PTC057457**

**Notes to the financial statements for the year ended March 31, 2023**

**3.13.5. Impairment of financial assets**

**3.13.5.1. Overview of the expected credit loss (ECL) allowance principles**

The Company is recording the allowance for expected credit losses for all loans at amortized cost and FVOCI and other debt financial assets not held at FVTPL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on a collective basis for identified homogenous pool of loans.

Accordingly, the Company groups its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognized, the Company recognizes an allowance based on 12 month ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the company records an allowance for the LTECLs.

Stage 3: Loans considered credit-impaired. The Company records an allowance for the LTECLs.

For financial assets for which the company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) de-recognition of the financial asset.

**3.13.5.2. The Calculation of ECL**

The Company calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

ECL consists of three key components: Probability of Default (PD), Exposure at Default (EAD) and Loss given default (LGD). ECL is calculated by multiplying them. Refer Note 41.8 for calculation.

The maximum period for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarized below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

**3.13.6. Write-offs**

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement profit and loss account.



**JAGARAN MICROFIN PRIVATE LIMITED**

**CIN: U74210WB1993PTC057457**

**Notes to the financial statements for the year ended March 31, 2023**

**3.14. Fair value measurement**

The Company measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured are categorized with fair value hierarchy into Level I, Level II and Level III based on level of input.

**3.15. Segment information**

The Company operates in a single business segment i.e., lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e., domestic.

**3.16. Foreign currency**

All transactions in foreign currency are recognized at the exchange rate prevailing on the date of the transaction. Foreign currency monetary items are reported using the exchange rate prevailing at the close of the period.

**3.17. Leases (where the company is the lessee)**

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.



## JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

## Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

## 4 Cash and cash equivalents

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Cash on hand		8.32	36.67
Balances with banks			
In current accounts		1,922.08	3,018.94
In term deposits	4.1	202.93	-
		<b>2,133.33</b>	<b>3,055.61</b>

4.1 Term deposits under lien against borrowings, which has since been settled in the month of April 2023, as at March 31, 2023 ₹ 202.93 (Previous year: Nil)

## 5 Bank balances other than cash and cash equivalents

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Balances with banks and other financial institutions - In term deposit	5.1 & 5.2	4,566.15	4,300.42
		<b>4,566.15</b>	<b>4,300.42</b>

5.1 Term deposits under lien against borrowings as at March 31, 2023 ₹ 4,412.83 (previous year: ₹ 3,542.88)

5.2 Term deposit include ₹ 39.81 (Previous year: Nil) held as security with Business Correspondents for loan disbursed by them.

## 6 Trade receivables (at amortised cost)

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		68.57	-
		<b>68.57</b>	<b>-</b>

## 6.1 Trade receivables ageing schedule

As at March 31, 2023

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	68.57	-	-	-	-	-	68.57
	<b>68.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68.57</b>

As at March 31, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	-	-	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

6.2 No trade receivables are due from directors or other officers of the company either severally or jointly with any other person nor due from firms or private companies respectively in which any director is a partner, a director or a member.

6.3 Details relating to the company's credit risk management have been given in note no. 38.1

## 7 Loans

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Unsecured (at amortised cost)			
Term loans		34,131.96	30,503.07
Add: interest accrued but not due on Loans		1,244.09	617.30
Less: processing fee income deferment		(360.49)	(193.54)
<b>Total (gross)</b>		<b>35,015.56</b>	<b>30,926.83</b>
Less: impairment loss allowance	41.8	(1,127.87)	(1,201.81)
		<b>33,887.69</b>	<b>29,725.02</b>

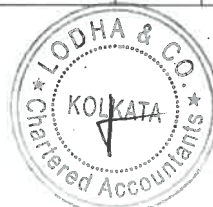
## 7.1 Region wise details

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2021
a) Loans in India			
- Public sector		-	-
- Others		35,015.56	30,945.77
b) Loan outside India		-	-
<b>Gross loans</b>		<b>35,015.56</b>	<b>30,945.77</b>
Less: Impairment loss allowance		(1,127.87)	(1,201.81)
<b>Net loans</b>		<b>33,887.69</b>	<b>29,743.96</b>

## 8 Other financial assets

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on term deposit		0.88	0.89
Security deposits		81.31	80.53
Security deposits with non-banking financial companies	8.1	2,561.91	93.56
Advance to employees		3.59	5.29
Other receivables	8.2	167.60	109.55
<b>Total</b>		<b>2,815.29</b>	<b>289.82</b>

8.1 Security deposits with non-banking financial companies are under lien against their respective borrowings.



JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

**8.2 Other receivables**

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Insurance premium receivable from members		107.81	101.32
Insurance claim receivable		0.82	0.31
Government grant receivables	8.3	41.82	-
Surplus in gratuity fund	37	10.68	-
Others		6.47	7.92
		<b>167.60</b>	<b>109.55</b>

- 8.3 The company is eligible to receive financial assistance from government authorities under National Apprenticeship Training Scheme (NATS) notified vide notice dated July 05, 2022. Under the said scheme 50% of the prescribed rates of stipend paid to the apprentices can be claimed subject to conditions notified under the notice. Accordingly, ₹ 60.59 (previous year: Nil) has been recognised as income under "Other income" during the year ended March 31, 2023.

**9 Current tax assets (net)**

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Advance income tax (including TDS receivable)		2,008.16	1,946.33
Less: provision for taxation		(1,790.80)	(1,790.80)
		<b>217.36</b>	<b>155.53</b>

**10 Deferred tax assets (net)**

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
<b>Tax effect on Items constituting deferred tax assets:</b>			
Property, plant and equipment and other intangible assets		11.41	4.74
Financial assets at amortised cost		2.06	44.04
Provision for impairment loss allowance		336.35	284.65
Disallowance under section 43B of the Income Tax Act, 1961		22.25	88.47
Carried forward losses		423.37	478.53
<b>Total deferred tax assets</b>		<b>795.44</b>	<b>900.43</b>
<b>Tax effect on Items constituting deferred tax liabilities:</b>			
Financial liabilities at amortised cost		(1.98)	(47.90)
<b>Total deferred tax liabilities</b>		<b>(1.98)</b>	<b>(47.90)</b>
<b>Deferred tax assets (net)</b>		<b>793.46</b>	<b>852.53</b>

**10.1 Movement in deferred tax assets and liabilities for the year ended March 31, 2023:**

Particulars	As at March 31, 2022	Recognised in profit or loss	Recognized in other comprehensive income	As at March 31, 2023
<b>Deferred tax assets for deductible temporary differences on:</b>				
Property, plant and equipment and other intangible assets	4.74	6.67	-	11.41
Financial assets at amortised cost	44.04	(41.98)	-	2.06
Provision for impairment loss allowance	284.65	51.70	-	336.35
Disallowance under section 43B of the Income Tax Act, 1961	88.47	(68.10)	1.88	22.25
Carried forward losses	478.53	(55.16)	-	423.37
<b>Total deferred tax assets</b>	<b>900.43</b>	<b>(106.87)</b>	<b>1.88</b>	<b>795.44</b>
<b>Deferred tax liabilities for taxable temporary differences on:</b>				
Financial liabilities at amortised cost	(47.90)	45.92	-	(1.98)
<b>Total deferred tax liabilities</b>	<b>(47.90)</b>	<b>45.92</b>	<b>-</b>	<b>(1.98)</b>
<b>Deferred tax assets (net)</b>	<b>852.53</b>	<b>(60.95)</b>	<b>1.88</b>	<b>793.46</b>

**10.2 Movement in deferred tax assets and liabilities for the year ended March 31, 2022:**

Particulars	As at March 31, 2021	Recognised in profit or loss	Recognized in other comprehensive income	As at March 31, 2022
<b>Deferred tax assets for deductible temporary differences on:</b>				
Property, plant and equipment and other intangible assets	4.34	0.40	-	4.74
Financial assets at amortised cost	64.94	(20.90)	-	44.04
Provision for impairment loss allowance	955.94	(671.29)	-	284.65
Disallowance under section 43B of the Income Tax Act, 1961	23.83	65.15	(0.51)	88.47
Carried forward loss	-	478.53	-	478.53
<b>Total deferred tax assets</b>	<b>1,049.05</b>	<b>(148.11)</b>	<b>(0.51)</b>	<b>900.43</b>
<b>Deferred tax liabilities for taxable temporary differences on:</b>				
Financial liabilities at amortised cost	(46.66)	(1.24)	-	(47.90)
<b>Total deferred tax liabilities</b>	<b>(46.66)</b>	<b>(1.24)</b>	<b>-</b>	<b>(47.90)</b>
<b>Deferred tax assets (net)</b>	<b>1,002.39</b>	<b>(149.35)</b>	<b>(0.51)</b>	<b>852.53</b>



**JAGARAN MICROFIN PRIVATE LIMITED**
**CIN : U74210WB1993PTC057457**
**Notes to the Financial Statements as at and for the Year ended March 31, 2023**

(All amount in ₹ lakhs, unless otherwise stated)

**11 Property, plant and equipment**

Particulars	Computer	Furniture and fixtures	Office equipment	Vehicles	Total
<b>Gross block</b>					
<b>As at March 31, 2021</b>	<b>89.66</b>	<b>47.45</b>	<b>51.29</b>	<b>14.47</b>	<b>202.87</b>
Additions	0.37	0.44	0.85	-	1.66
Disposal	-	-	-	-	-
Other adjustments					
<b>As at March 31, 2022</b>	<b>90.03</b>	<b>47.89</b>	<b>52.14</b>	<b>14.47</b>	<b>204.53</b>
Additions	7.48	0.35	1.08	-	8.91
Disposal	0.69	-	-	-	0.69
Other Adjustments	0.17	0.78	(0.76)	-	0.19
<b>As at March 31, 2023</b>	<b>96.65</b>	<b>47.46</b>	<b>53.98</b>	<b>14.47</b>	<b>212.56</b>
<b>Accumulated depreciation</b>					
<b>As at March 31, 2021</b>	<b>60.96</b>	<b>14.96</b>	<b>29.73</b>	<b>4.96</b>	<b>110.61</b>
Charge for the year	12.87	4.67	8.31	1.87	27.72
Disposal/ Other adjustments	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>73.83</b>	<b>19.63</b>	<b>38.04</b>	<b>6.83</b>	<b>138.33</b>
Charge for the year	9.04	16.53	8.95	1.87	36.39
Disposal/ Other adjustments	0.67	-	-	-	0.67
<b>As at March 31, 2023</b>	<b>82.20</b>	<b>36.16</b>	<b>46.99</b>	<b>8.70</b>	<b>174.05</b>
<b>Net block</b>					
<b>As at March 31, 2021</b>	<b>28.70</b>	<b>32.49</b>	<b>21.56</b>	<b>9.51</b>	<b>92.26</b>
<b>As at March 31, 2022</b>	<b>16.20</b>	<b>28.26</b>	<b>14.10</b>	<b>7.64</b>	<b>66.20</b>
<b>As at March 31, 2023</b>	<b>14.45</b>	<b>11.30</b>	<b>6.99</b>	<b>5.77</b>	<b>38.51</b>

11.1 Other adjustments represents reclassification of assets during the conduct of physical verification during the year.

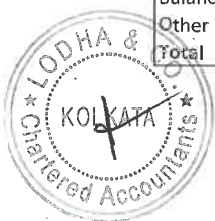
**12 Other intangible assets**

Particulars	Computer software	Total
<b>Gross block</b>		
<b>As at March 31, 2021</b>	<b>61.20</b>	<b>61.20</b>
Additions	5.45	5.45
Disposal	-	-
Other adjustments	-	-
<b>As at March 31, 2022</b>	<b>66.65</b>	<b>66.65</b>
Additions	10.33	10.33
Disposal	5.73	5.73
Other adjustments	(0.19)	(0.19)
<b>As at March 31, 2023</b>	<b>71.44</b>	<b>71.44</b>
<b>Accumulated amortization</b>		
<b>As at March 31, 2021</b>	<b>31.72</b>	<b>31.72</b>
Charge for the year	9.14	9.14
Disposal/ Other adjustments	-	-
<b>As at March 31, 2022</b>	<b>40.86</b>	<b>40.86</b>
Charge for the year	10.77	10.77
Disposal/ Other adjustments	2.97	2.97
<b>As at March 31, 2023</b>	<b>48.66</b>	<b>48.66</b>
<b>Net block</b>		
<b>As at March 31, 2021</b>	<b>29.48</b>	<b>29.48</b>
<b>As at March 31, 2022</b>	<b>25.79</b>	<b>25.79</b>
<b>As at March 31, 2023</b>	<b>22.78</b>	<b>22.78</b>

12.1 Other adjustments represents reclassification of assets during the conduct of physical verification of tangible assets during the year.

**13 Other non-financial assets**

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Advance to vendors		2.57	12.28
Prepaid expenses		11.31	7.67
Balance with government authorities		59.31	53.85
Other advances		-	0.45
<b>Total</b>		<b>73.19</b>	<b>74.25</b>





**JAGARAN MICROFIN PRIVATE LIMITED**
**CIN : U74210WB1993PTC057457**
**Notes to the Financial Statements as at and for the Year ended March 31, 2023**

(All amount in ₹ lakhs, unless otherwise stated)

**14 Trade payables**

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Trade payables	14.1		
(i) Total outstanding dues of micro and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		7.39	14.71
		<b>7.39</b>	<b>14.71</b>

**14.1 Trade payables ageing schedule as on March 31, 2023**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro and small enterprises (Undisputed)	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises (Undisputed)	7.39	-	-	-	7.39
(iii) Total outstanding dues of micro and small enterprises (Disputed)	-	-	-	-	-
(iv) Total outstanding dues of creditors other than micro and small enterprises (Disputed)	-	-	-	-	-

**Trade payables ageing schedule as on March 31, 2022**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro and small enterprises (Undisputed)	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises (Undisputed)	11.29	3.42	-	-	14.71
(iii) Total outstanding dues of micro and small enterprises (Disputed)	-	-	-	-	-
(iv) Total outstanding dues of creditors other than micro and small enterprises (Disputed)	-	-	-	-	-

**14.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

The amount due to the Micro and Small Enterprise as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of the information available with the Company. The disclosure relating to the Micro and Small Enterprise as at March 31, 2023 are as under:

Description	As at March 31, 2023	As at March 31, 2022
a. The Principal amount remaining unpaid to supplier as at end of the year	-	-
b. Interest due as on remaining unpaid to supplier as at the end of the year	-	-
c. Amount of Interest due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding Interest specified under the Act	-	-
d. Amount of interest accrued and remaining unpaid as at end of the year	-	-
e. The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

**15 Debt securities**

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>			
Non convertible debentures- listed (secured)	15.1	1,929.31	4,304.74
		<b>1,929.31</b>	<b>4,304.74</b>

15.1 Includes interest accrued ₹ 4.31 (Previous year: ₹ 104.74)

**15.2 Redemption details of debt securities**

Particulars	Last payment date	As at March 31, 2023	As at March 31, 2022
12.7156% Microfinance Initiative Fund Asia	October 23, 2023	1,929.31	2,279.86
13.0465% Blue Orchard Microfinance Fund	October 29, 2022	-	1,013.24
13.0465% Japan Asean Women Empowerment Fund	October 29, 2022	-	1,011.64
		<b>1,929.31</b>	<b>4,304.74</b>



**JAGARAN MICROFIN PRIVATE LIMITED**

CIN : U74210WB1993PTC057457

**Notes to the Financial Statements as at and for the Year ended March 31, 2023**

(All amount in ₹ lakhs, unless otherwise stated)

**15.3 Security details**

The debenture is secured against the book debt of the company. The asset coverage required to be maintained at all the time during the tenure of the debenture is 105%.

**15.4 Repayment schedule**

The debenture will be repaid through monthly instalment of ₹ 275.00 starting from the month of March 2023.

- 15.5 In the month of March 2023, company with the consent of the debenture holder, Microfinance Initiative for Asia (MIFA) Debt Fund SA, SICAV- SIF, had changed the repayment schedule from the bullet repayment to be made on December 23, 2024 to monthly instalments ending in October 23, 2023. The applicable interest rate was also changed from 13% to 12.7156%.

**15.6 Region wise details**

Particulars	As at March 31, 2023	As at March 31, 2022
a) Loans in India	-	-
b) Loans outside India	1,929.31	4,304.74
<b>Total debt securities</b>	<b>1,929.31</b>	<b>4,304.74</b>

**16 Borrowings (other than debt securities)**

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>			
<b>Term loans (Secured)</b>			
From banks	16.2 & 16.4	18,265.40	22,548.42
From non banking financial companies	16.3 & 16.4	12,264.07	1,727.04
<b>SubTotal</b>		<b>30,529.47</b>	<b>24,275.46</b>
Less: Processing fees deferment		(513.78)	(283.43)
		<b>30,015.69</b>	<b>23,992.03</b>

**16.1 Region wise details**

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
a) Term loans in India		30,529.47	24,275.46
b) Term loans outside India		-	-
<b>Gross Loans</b>		<b>30,529.47</b>	<b>24,275.46</b>
Less: Processing fees deferment		(513.78)	(283.43)
<b>Net Loans</b>		<b>30,015.69</b>	<b>23,992.03</b>



## JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

## Terms and conditions of long term borrowings

	Particulars	Refer note no.	2022-23	2021-22	Maturity	No. of Installments	Installment value	Repayment term	Rate of interest effective as on March 31, 2023
16.2	Rupee Loan from Banks								
i.	Bank of Baroda Term Loan No. 1	16.4 (a)	395.83	645.83	Oct-24	19	20.83/ Monthly	Apr'23 - Oct'24	1 YR MCLR + 100 BPS (Effective 9.55%)
ii.	Bank of Maharashtra Term Loan No. 2	16.4 (b)	1,932.99	3,207.50	Sep-24	18	106.10/ Monthly	Apr'23 - Sept'24	1 YR MCLR + 200 BPS (Effective 9.30%)
iii.	Canara Bank Term Loan No. - 1	16.4 (a)	56.29	226.10	Jul-23	4	14.07/ Monthly	Apr'23 - Jul'23	1 YR MCLR + 410 BPS (Effective 11.40%)
	Term Loan No. - 2	16.4 (a)	1,333.33	2,333.33	Jul-24	16	83.33/ Monthly	Apr'23 - Jul'24	1 YR MCLR + 200 BPS (Effective 9.35%)
iv.	IDBI Bank Term Loan No. 4	16.4 (c)	75.71	100.03	Sep-24	18	4.16/ Monthly	Apr-23 - Sept'24	1 YR MCLR + 385 BPS (Effective 12.35%)
v.	IDFC First Bank Term Loan No. 4 Term Loan No. 5		- -	210.90 177.28	Jul-22 Jul-22				
vi.	Indian Bank Term Loan No. 1		-	456.63	Mar-23				
vii.	Indian Overseas Bank Term Loan No. 1	16.4 (d)	600.00	1,001.21	Mar-24	12	50.00/ Monthly	Apr'23 - Mar'24	1 YR MCLR + 310 BPS (Effective 10.55%)
	Term Loan No. 2	16.4 (e)	600.00	1,000.90	Mar-24	12	50.00/ Monthly	Apr'23 - Mar'24	1 YR MCLR + 310 BPS (Effective 10.55%)
viii.	Jana Small Finance Bank Term Loan No. 1	16.4 (f)	828.54	2,340.02	Sep-23	6	141.88/ Monthly (EMI)	Apr'23 - Sept'23	12.47%
ix.	MUDRA Term Loan No. 1		-	715.52	Jan-23				
x.	NABARD Term Loan No. 1		-	1,250.00	Sep-22				
xi.	Punjab National Bank Term Loan No. 1	16.4 (g)	1,803.03	3,193.75	Sep-24	18	106.06/ Monthly	Apr'23 - Sept'24	1 YR MCLR + 200 BPS (Effective 9.30%)
	Term Loan No. 1A (trf from Oriental Bank of Commerce)	16.4 (h)	599.75	938.26	Dec-24	20	29.98/ Monthly	Apr'23 - Dec'24	1 YR MCLR + 465 BPS (Effective 9.80%)
xii.	State Bank of India Term Loan No. 3		-	75.13	May-22				1 YR MCLR + 250 BPS (Effective 11.65%)
	Term Loan No. 4	16.4 (i)	112.32	1,187.83	May-23	2	89.58/ Monthly	Apr'23 - May'23	1 YR MCLR + 475 BPS (Effective 11.65%)
	Term Loan No. 5	16.4 (j)	2,038.33	2,999.98	Dec-24	33	90.91/ Monthly	Apr'23 - Dec'24	6 Month MCLR + 400 BPS (Effective 11.65%)
	Term Loan No. 6	16.4 (k)	3,753.83	-	Nov-25	32	62.98/ Monthly	Apr'23 - Nov'25	
xiii.	UCO Bank Term Loan No. 3	16.4 (l)	56.15	488.22	Jun-23	3	35.47/ Monthly (EMI)	Apr'23 - Jun'23	1 YR MCLR + 315 BPS (Effective 11.25%)
	Term Loan No. 4	16.4 (m)	731.17	-	Feb-26	35	25.99/ Monthly (EMI)	Apr'23-Feb'26	1 YR MCLR + 320 BPS (Effective 11.30%)
xiv.	EASF Small Finance Bank Term Loan No. 2	16.4 (n)	500.00	-	Jan-25	20	28.35/ Monthly (EMI)	Jun'23 - Jan'25	14.25%
xv.	Dhanalakshmi Term Loan No. 1	16.4 (o)	500.14	-	Mar-26	34	41.67/ Quarterly (Equated Quarterly Instalments)	Jun'23 - Mar'-26	1 YR MCLR + 130 BPS (Effective 10.50%)
xvi.	UNION Bank Term Loan No. 1	16.4 (p)	484.84	-	Nov-25	32	15.15/ Quarterly (Equated Quarterly Installments)	Apr'23-Nov25	1 YR MCLR + 275 BPS (Effective 11.00%)
xvii.	ICICI Bank Term Loan No. 1	16.4 (q)	1,500.55	-	Sep-24	17	88.24/ Month	May'23 - Sep'-24	1 YR MCLR + 475 BPS (Effective 13.50%)
xviii.	CSB Term Loan No. 1	16.4 (af)	181.30	-	Apr-23	1	181.30/ Month	Apr'23	8.00%
	Term Loan No. 2		181.30	-		1	181.30/ Month		
	Sub-Total (A)		18,265.40	22,548.42					





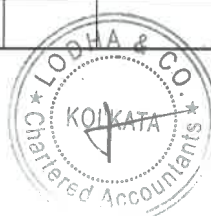
## JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

	Particulars	Refer note no.	2022-23	2021-22	Maturity	No. of Installments	Installment value	Repayment term	Rate of interest effective as on March 31, 2023
16.3	<b>Rupee Loan from Non Banking Finance Company</b>								
i.	Eclear Leasing and Finance Private Limited Term Loan - Tranche - 1		-	0.02					
ii.	Grow Money Capital Private Limited Term Loan No. 1 - Tranche -1 Term Loan No. 1 - Tranche -2	16.4 (r)	213.78 250.36	12.01 -	Jun-24 Oct-24	3 18	15.57/ Monthly (EMI) 15.57/ Monthly (EMI)	Apr'23 - Jun'23 Apr'23 - Oct'24	14.75% 14.75%
iii.	Habitat Microbuild India Housing Finance Company Limited Term Loan No. 3 Term Loan No. 2 Term Loan No. 1	16.4 (s)	32.98 - -	122.79 80.08 16.78	Jul-23 Jan-23 May-22	4	8.49/ Monthly (EMI)	Apr'23 - Jul'23	14.75%
iv.	KKR India Financial Services Ltd. Term Loan No. 3		-	162.27	Mar-23				
v.	MAS Financial Services Limited Term Loan - 58 & 59		-	293.84	Oct-22				
vi.	Nabakishan Finance Limited Term Loan No. 2 Term Loan No. 1	16.4 (t)	41.34 -	207.96 246.37	Jul-23 Aug-22	1	41.67/ Quarterly	Apr'23 - Jul'23	14.25%
vii.	Saidham Mercantile Private Limited Term Loan No. 1	16.4 (u)	107.68	501.59	Jun-23	3	36.65/ Monthly (EMI)	Apr'23 - Jun'23	15.00%
viii.	Western Capital Advisory Pvt. Ltd. Term Loan No. 2		-	83.33	Jun-22				
ix.	Ananya Finance for Inclusive Growth (P) Limited Term Loan No. 6	16.4 (v)	218.75	-	Dec-24	21	10.42/ Monthly (EMI)	Apr'23 - Dec'24	16.25%
x.	Mannaveeya Development & Finance Limited Term Loan No. 4	16.4 (w)	813.10	-	Dec-24	21	62.50/ Monthly (EMI)	Apr'23 - Dec'24	15.00%
xi.	Nabsamrudhhi Financial Limited Term Loan No. 4	16.4 (x)	863.54	-	Sep-25	30	34.91/ Monthly (EMI)	Apr'23 - Sep'25	15.50%
xii.	M K VENTURES Capital Limited Term Loan No. 1	16.4 (y)	2,507.97	-	Sep-24	8 4 6	234.38/ Month 93.75/ Month 41.67/ Month	Apr'23- Sep'24	11.75%
xiii.	Electronica Finance Limited Term Loan No. 2	16.4 (z)	211.49	-	Jul-24	16	14.51/ Monthly (EMI)	Apr'23- Jul'24	14.75%
xiv.	USHA Financial Services Ltd. Term Loan No. 1	16.4 (aa)	388.58	-	Feb-25	23	19.54/ Monthly (EMI)	Apr'23- Feb'25	15.75%
xv.	Blacksoil Capital Pvt. Ltd. Term Loan No. 1	16.4 (ab)	502.03	-	Mar-25	24	20.83/ Monthly	Apr'23- Mar'25	15.00%
xvi.	Shine Star Build Cap Term Loan No. 3 -Tranche - 1 Term Loan No. 3 -Tranche - 2 Term Loan No. 3 -Tranche - 3 Term Loan No. 4 - Tranche - 1 Term Loan No. 4 - Tranche - 2 Term Loan No. 4 - Tranche - 3 Term Loan No. 5 - Tranche - 1 Term Loan No. 5 - Tranche - 2 (a) Term Loan No. 5 - Tranche - 2 (b)	16.4 (ac)	347.07 346.35 457.95 531.45 625.94 722.80 812.81 453.47 504.32	- - - - - - - - -	May-23 Jun-23 Jul-23 Nov-23 Dec-23 Dec-23 Aug-24 Sep-24 Sep-24	2 3 4 3 4 4 5 4 6 6 7 4 4 4	177.43/Monthly (EMI) 118.29/Monthly (EMI) 118.29/Monthly (EMI) 93.75/ Month 62.50/ Month 93.75/ Month 62.50/ Month 93.75/ Month 62.50/ Month 93.75/ Month 37.50/ Month 16.67/ Month 46.88/ Month 18.75/ Month 8.33/ Month 46.88/ Month 18.75/ Month	Apr'23- May'23 Apr'23-Jun'23 Apr'23-Jul'23 Apr'23- Nov'23 Apr'23-Dec'23 Apr'23-Dec'23 Apr'23- Aug'24 Apr'23-Sep'24 Apr'23-Sep'24	15.25% 15.25% 15.25% 15.25% 15.25% 15.25% 15.25% 15.25% 15.25%
xvii.	NABFINS Term Loan No. 4	16.4 (ae)	806.31	-	Mar-25	24	38.94/ Monthly (EMI)	Apr'23- Mar'25	16.00%
xviii.	Ananya Finance: Co-Lending Term Loan Tranche - 1 Tranche - 2 Tranche - 3 Tranche - 4 Tranche - 5 Tranche - 6 Tranche - 7 Tranche - 8 Tranche - 9 Tranche - 10 Tranche - 11 Tranche - 12	16.4 (v)	0.83 8.33 26.56 18.75 37.50 39.59 62.50 41.67 62.50 88.89 70.83 46.05	- - - - - - - - - - - -	Jul-24 Jul-24 Aug-24 Sep-24 Sep-24 Oct-24 Nov-24 Jun-24 Jun-24 Jul-24 Aug-24 Aug-24	16 16 17 18 18 19 20 21 21 22 23 23	0.05/ Month 0.52/ Month 1.56/ Month 1.04/ Month 2.08/ Month 2.08/ Month 3.13/ Month 2.78/ Month 4.17/ Month 5.56/ Month 4.17/ Month 2.71/ Month	Apr'23- Jul'24 Apr'23-Jul'24 Apr'23- Aug'24 Apr'23- Sep'24 Apr'23- Sep'24 Apr'23- Oct'24 Apr'23- Nov'24 Apr'23- Jun'24 Apr'23- Jun'24 Apr'23- Jul'24 Apr'23- Aug'24 Apr'23- Aug'24	16.25% 16.25% 16.25% 16.25% 16.25% 16.25% 16.25% 16.25% 16.25% 16.25% 16.25% 16.25%
	<b>Sub-Total (B)</b>		<b>12,264.07</b>	<b>1,727.04</b>					
	<b>Total-long term borrowings (A+B)</b>		<b>30,529.47</b>	<b>24,275.46</b>					



**JAGARAN MICROFIN PRIVATE LIMITED**

CIN : U74210WB1993PTC057457

**Notes to the Financial Statements as at and for the Year ended March 31, 2023**

(All amount in ₹ lakhs, unless otherwise stated)

**16.4 Details of security given for the loan**

- a. Standard book debts of the company to the extent of 110% of outstanding loan. Collaterally secured with 10% of loan amount by way of term deposit along with interest accrued on it and corporate guarantee by M/s GTFS Multi Services Limited.
- b. Exclusive charge by way of Hypothecation of standard receivables of the company to the extent of 1.10 times of outstanding loan.
- c. Exclusive charge by way of Hypothecation of book debts with 10% margin. Collaterally secured with 10% of loan amount by way of term deposit with IDBI bank along with interest accrued on it. Post dated cheques (2PDC).
- d. Hypothecation of standard book debts created out of bank finance to the extent of 111% of prime Security. Collaterally secured with Fixed deposit to the tune of 18% of sanctioned limit.
- e. Exclusive charge by way of hypothecation of standard loan receivables (other than specifically charged) of the company to the extent of 111% of outstanding loans. Corporate Guarantee of M/s GTFS Multi Services Limited and personal guarantee of one of the Directors. Further a 18% of the total credit facilities sanctioned in the form of lien marked term deposits with the bank.
- f. An exclusive and first ranking (floating) charge by way of hypothecation over the receivables. A demand promissory note and a letter of community. 75% of sanctioned amount guaranteed by NCGTC under CGSMFI. 25% of sanctioned amount guaranteed by holding company M/s GTFS Multi Services Limited 5% of the total credit facilities sanctioned in the form of lien marked term deposits with the bank.
- g. Exclusive charge by way of Hypothecation of standard receivables of the company to the extent of 1.10 times of outstanding loan. NCGTC guarantee of 75% of loan amount and corporate guarantee of M/s GTFS Multi Services Limited.
- h. Exclusive charge by way of hypothecation of standard loan receivables (other than specifically charged) of the company to the extent of 110% of outstanding loans. Collaterally secured with 10% - 20% of the loan amount by way of term deposit along with the interest accrued thereon.
- i. Book debts created out of the term loan availed. Collaterally secured with 10% of the term loan limit. Third party guarantee by M/s GTFS Multi Services Limited.
- j. Hypothecation of book debts. Collateral security of bank deposits of Rs. 776. Guarantee by holding company M/s GTFS Multi Services Limited.
- k. Personal guarantees of promoter directors to be released after 1 year if PAR improved to 5%. Hypothecation of book debts. Collateral security of bank deposits of Rs. 850. Guarantee by holding company M/s GTFS Multi Services Limited.
- l. Exclusive charge on specific Current assets created out of UCO Bank Finance. Exclusive lien over 20% of the term loan as term deposits. Corporate guarantee by M/s GTFS Multi Services
- m. Exclusive charge on specific receivables created out of UCO Bank Finance, should be exclusively hypothecated to UCO Bank. Security cover should be minimum 120% of the exposure at any time. Exclusive lien over 10% of the entire loan amount as cash collateral i.e. Rs. 75 before disbursement and to be continued till repayment as Collateral. Corporate Guarantee of M/s GTFS Multi Services Limited.
- n. First and Exclusive charge of present and future loan receivables (Net of NPA / Overdue receivables, Financial Charges, Other chaees, etc.) with 1.10x times of exposure created out of our funding. Cash Collateral of 10% on sanctioned limit by way FD kept under lien with ESAF SFB. Corporate Guarantee of M/s GTFS Multi Services Limited. Cheques towards the loan amount to
- o. Exclusive hypothecation of book debts to the extent of min 1.10 times of loan principal outstanding. Corporate guarantee of M/s GTFS Multi Services Limited.
- p. Book debts (Standard loans receivables hypothecated exclusively to our bank against TL Facility). Proposed FDR (20% of fresh TL) as collateral.
- q. Exclusive charge by the way of hypothecation of book debts arising out of the Facility shall be created in favour of ICICI Bank. The hypothecated assets must cover at least 110% of the amount outstanding under the Facility. GTFS Multi Services Limited, a majority shareholders in the Borrower shall be providing a Corporate Guarantee in favour of ICICI Bank to secure the Facility.
- r. Exclusive charge on receivables covering 110% of the outstanding loan amount at any point of time. Issue of Three undated cheques of the company for the outstanding loan amount. Issue of six post-dated cheques of the company for the repayment of 1st 6 instalment and submission of 4 copies of NACH for the repayment of instalment. 10% of the Loan Amount shall be placed as a security deposit for the full tenure of the loan.
- s. First and exclusive charge of microfinance loan portfolio (book debts) and future receivables therein by way of hypothecation to the extent of 110% of loan outstanding on a continuing basis. Only standard assets will be considered for arriving at the value of underlying pool of assets.
- t. First and exclusive charge of microfinance loan portfolio (book debts) and future receivables therein by way of hypothecation to the extent of 110% of loan outstanding and interest accrued on a continuing basis. Only standard assets will be considered for arriving at the value of underlying pool of assets. The borrower shall deposit with the lender duly discharged term deposit receipts for an amount equivalent to 5% -10% of the loan amount disbursed for the tenure of this facility.
- u. First and exclusive charge of microfinance loan portfolio (book debts) and future receivables therein by way of hypothecation to the extent of 100% of loan outstanding on a continuing basis. Only standard assets will be considered for arriving at the value of underlying pool of assets.
- v. 5% security Deposit in form of FLDG. Hypothecation on all book debts arising out the loan from this facility.
- w. Enforceable promissory notes covering 100% of total amount of capital and interest outstanding at all times. Hypothecation of book debts of borrowers on portfolio of grade A loans with a constant value of minimum 105% of outstanding amount plus Interest having first rank and exclusive charge. Interest free FLDG of Rs. 75.
- x. Hypothecation of specific standard receivables maintaining a security cover of 1.10 times as Primary Security. 5% of sanctioned amt as cash collateral in the form of FD marked lien and Corporate Guarantee of M/s GTFS Multi Services Limited.
- y. First and exclusive charge by way of hypothecation over all the receivables of the borrower and such other assets for the security cover to the extent of 110% for the loan outstanding. The security cover must always be maintained so long as any amounts are outstanding under the facility. 20% of Loan amount to be maintained with SSBCLPL as cash collateral carrying 4% interest throughout the tenure of the loan and payable at the end of the tenure of the loan. Such amount shall be deducted upfront from the disbursement amount.
- z. Hypothecation of 100% of book debts and cash collateral of Rs. 15.
- aa. Hypothecation on book debts (exclusive charge) to the extent of 110% if the exposure created by using UFSL fund and Book debts having par more than 30 days need to be replaced. 10% of Loan amount with 7% interest as cash collateral.
- ab. First and exclusive charge on identified receivables (PAR < 30day). Minimum security cover of 1.2x to be maintained at all times. Corporate guarantee of M/s GTFS Multi Services Limited. DSRA deposit equivalent to one instalment with 4% interest.
- ac. Hypothecation over all the receivables of the borrowers and other assets for security cover to extent of 120% of total loan outstanding. Security deposit of 20% of loan to be maintained throughout the tenure of the loan.
- ad. First and exclusive charge by way of hypothecation over all the receivables of the borrower to the extent of 120% for outstanding loan (0 DPD loans). 20% of Loan Amount to be maintained with SSBCLPL (4% p.a. interest payable at the end of term).
- ae. Exclusive charge by way of hypothecation on the specific assets/book debts equal to 110% of the loan extended. 5% collateral as FD marked as lien. Corporate guarantee of M/s GTFS Multi Services Limited.
- af. Security of bank deposits amounting to Rs. 406.11



## JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

## Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

## 17 Subordinated liabilities

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
<b>Unsecured (at amortised cost)</b>			
Subordinated debt (Tier II capital)	17.1	500.42	500.42
		<b>500.42</b>	<b>500.42</b>

17.1 Subordinated Debt have a tenure of 72 months and carries rate of interest at 17.00% and are repayable in two equal instalments at end of 5.5 years and 6 years from the date of disbursement i.e., September 30, 2019.

## 17.2 Region wise details

Particulars	As at March 31, 2023	As at March 31, 2022
a) Term loans in India	500.42	500.42
b) Term loans outside India	-	-
<b>Total subordinated liabilities</b>	<b>500.42</b>	<b>500.42</b>

## 18 Other financial liabilities

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Employee related liabilities		179.51	167.83
<b>Liabilities for capital goods</b>			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2.53	-
Insurance premium payable on behalf of members		46.68	30.42
Payable to business correspondents	18.1	1,466.66	-
Outstanding liability for expenses		30.11	20.84
		<b>1,725.49</b>	<b>219.09</b>

18.1 Includes ₹ 1,463.67 (previous year: Nil) collected on behalf of "Ananya Finance for Inclusive Growth Private Limited" and paid in next 2 working days after the reporting date.

## 19 Provisions

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Contingent provision against standard assets		81.15	70.80
Provision for compensated absence		37.96	37.31
Provision for gratuity	37	-	0.10
		<b>119.11</b>	<b>108.21</b>

## 20 Other non-financial liabilities

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Statutory dues		56.78	34.76
		<b>56.78</b>	<b>34.76</b>



## 21. Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
<b>Authorized share capital</b>				
Equity shares of ₹ 10 each	7,50,00,000	7,500.00	7,50,00,000	7,500.00
	7,50,00,000	7,500.00	7,50,00,000	7,500.00
<b>Issued, Subscribed and Fully Paid Up</b>				
Equity shares of ₹ 10 each	5,12,96,200	5,129.62	4,82,96,200	4,829.62
	5,12,96,200	5,129.62	4,82,96,200	4,829.62

## 21.1 Reconciliation of shares outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Balance at the beginning of the year	4,82,96,200	48,29,62,000	4,82,96,200	4,829.62
Add : Issued during the year	30,00,000	3,00,00,000	-	-
Balance at the end of the period	5,12,96,200	51,29,62,000	4,82,96,200	4,829.62

## 21.2 Terms/ Rights attached to Equity Shares

The Company has only one class of Equity Shares having par value of ₹ 10. Such holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees which are approved in the ensuing annual general meeting. The holder of equity shares are entitled to receive dividend as declared from time to time. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

## 21.3 Shares held by the holding company

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
GTFS Multi Services Limited	3,48,15,600	67.87%	3,48,15,600	72.09%

## 21.4 Details of Shareholders holding more than 5% of the aggregate shares in the Company:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	% of holding	Number	% of holding
<b>Name of the shareholders</b>				
(a) GTFS Multi Services Limited	3,48,15,600	67.87%	3,48,15,600	72.09%
(b) Ms. Abira Majumder	47,37,900	9.24%	37,10,400	7.68%
(c) Ms. Aatreyee Majumder	40,00,000	7.80%	30,00,000	6.21%
(d) Mr. Adipta Majumder	40,00,000	7.80%	30,00,000	6.21%

## 21.5 Details of shares held by promoters at the beginning and at the end of the year 2023

Name of the promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% change during the year
<b>Fully Paid-up Equity Shares of ₹10 each:</b>					
(a) GTFS Multi Services Limited	3,48,15,600	-	3,48,15,600	67.87%	-4.22%
(b) Ms. Abira Majumder	37,10,400	10,27,500	47,37,900	9.24%	1.55%
(c) Ms. Aatreyee Majumder	30,00,000	10,00,000	40,00,000	7.80%	1.59%
(d) Mr. Adipta Majumder	30,00,000	10,00,000	40,00,000	7.80%	1.59%

## Details of shares held by promoters at the beginning and at the end of the year 2022

Name of the promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% change during the year
<b>Fully Paid-up Equity Shares of ₹10 each:</b>					
(a) GTFS Multi Services Limited	3,48,15,600	-	3,48,15,600	72.09%	-
(b) Abira Majumder	36,95,000	15,400	37,10,400	7.68%	0.03%
(c) Aatreyee Majumder	30,00,000	-	30,00,000	6.21%	-
(d) Adipta Majumder	30,00,000	-	30,00,000	6.21%	-

21.6 No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the balance sheet date.

21.7 The company has neither allotted any equity shares against consideration other than cash nor has issued any bonus shares or has bought back any shares during the period of 5 years preceding the date at which the balance sheet is prepared.

21.8 No securities convertible into equity/ preference shares have been issued by the company during the year.

21.9 No calls remain unpaid by any director or officer of the company during the year.

21.10 No shares have been forfeited by the company.



JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

**22. Other equity**

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
<b>Securities premium</b>	22.1		
Opening balance		855.13	855.13
Add: Received on Issue of equity shares for the year		300.00	-
<b>Closing balance</b>		<b>1,155.13</b>	<b>855.13</b>
<b>Statutory reserve</b>	22.2		
Opening balance		1,205.62	1,132.69
Add: Transferred from retained earnings		59.16	72.93
<b>Closing balance</b>		<b>1,264.78</b>	<b>1,205.62</b>
<b>Retained earnings</b>	22.3		
Opening balance		2,480.84	2,187.62
Add: Profit for the year		295.81	364.65
Add: Other comprehensive income for the year		(4.88)	1.50
Less: Amount transferred to statutory reserve		(59.16)	(72.93)
<b>Closing balance</b>		<b>2,712.61</b>	<b>2,480.84</b>
		<b>5,132.52</b>	<b>4,541.59</b>

**Nature and purpose of reserves:**

**22.1 Securities premium**

Securities premium represents amount received in excess of the face value of the issued share capital. The same shall be utilised in accordance with the provisions of the Companies Act, 2013 read with relevant Rules.

**22.2 Statutory reserve**

Statutory reserves represents the reserve created pursuant to the section 45-IC of The Reserve Bank of India, 1934 (the RBI Act) and related regulations applicable to the companies governed by Reserve Bank of India. Under the RBI Act, a non-banking finance company is required to transfer an amount not less than 20% of its net profit after tax to a reserve fund before declaring any dividend. Appropriation from this reserve fund is permitted only for the purposes specified by the Reserve Bank of India.

**22.3 Retained earnings**

Retained earnings generally represents the undistributed profits/ amount of accumulated earnings of the Company. This includes other comprehensive income of ₹ (11.51) (previous year ₹ 6.63) relating to remeasurement of defined benefit plans (net of tax) which cannot be reclassified to profit or loss.





## JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

## Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

## 23 Interest income

Particulars	Refer note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
On Financial assets measured at amortised cost			
Interest on loans		6,240.09	6,167.72
Interest on deposits		276.40	309.00
		<b>6,516.49</b>	<b>6,476.72</b>

## 24 Dividend income

Particulars	Refer note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend income		52.36	28.10
		<b>52.36</b>	<b>28.10</b>

## 25 Fees &amp; commission income

Particulars	Refer note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Fees & commission income		15.10	-
		<b>15.10</b>	<b>-</b>

## 26 Other income

Particulars	Refer note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Government grants		60.59	-
Branding and advertisement		174.00	-
Provision no longer required written back		10.44	2,154.05
Interest income on income tax refund		-	11.17
Bad debt recovery		148.70	6.83
Miscellaneous income	26.1	13.88	61.84
		<b>407.61</b>	<b>2,233.89</b>

26 Includes liabilities no longer required written back ₹ 11.76 (Previous year ₹ 53.30).

## 27 Finance costs

Particulars	Refer note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings		3,114.68	2,504.58
Interest on debt securities		450.49	718.30
Interest on subordinated liabilities		85.00	84.98
Other borrowing cost		38.76	35.63
		<b>3,688.93</b>	<b>3,343.49</b>

## 28 Employee benefits expense

Particulars	Refer note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages		1,577.20	1,536.03
Contribution to provident and other funds	37	147.82	147.72
Staff welfare expenses		46.79	40.91
		<b>1,771.81</b>	<b>1,724.66</b>

## 29 Depreciation and amortisation expense

Particulars	Refer note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment		36.39	27.73
Amortisation of intangible assets		10.77	9.14
		<b>47.16</b>	<b>36.87</b>



**JAGARAN MICROFIN PRIVATE LIMITED**

**CIN : U74210WB1993PTC057457**

**Notes to the Financial Statements as at and for the Year ended March 31, 2023**

(All amount in ₹ lakhs, unless otherwise stated)

**30 Other expenses**

Particulars	Refer note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Electricity charges		29.05	22.23
Rent	30.1	372.17	360.40
Repairs & maintenance		13.42	12.84
Software maintenance		13.31	12.90
Director sitting fees		18.95	13.00
Printing & stationery		28.17	25.10
Telephone expenses		52.36	51.83
Travelling expenses		206.04	204.11
Membership fees		12.92	10.32
Professional & consultancy charges		88.47	39.02
Statutory auditors' remuneration			
- For statutory audit		13.20	12.00
- For limited review		7.95	4.50
- For certification fees		1.36	5.19
- Reimbursement of expenses		1.77	2.27
Corporate social responsibility ('CSR') Expenses	34	15.19	48.29
Training expenses		8.40	6.22
Rates & taxes		9.29	4.82
Internal audit fees		13.95	9.07
Security & contractual manpower expenses		5.82	4.41
Insurance premium paid		15.07	16.57
Bad Debts written off		201.60	2,509.21
Less: Provision for impairment loss allowance		(69.95)	(291.74)
Miscellaneous expenses		68.39	37.13
		<b>1,126.90</b>	<b>3,119.69</b>

30 The Company has taken certain office premises under cancellable operating lease arrangements which generally, range between 11 months to 3 year, and are usually renewable by mutual agreement. The Company has availed the benefit of short term lease exemption under Ind AS 116 and charged off the lease payments to the Statement of Profit and Loss.



JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

**31 Contingent liabilities and commitments (to the extent not provided for)**

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
<b>Contingent liabilities</b>		Nil	Nil
<b>Commitments</b>			
Estimated amount of contracts remaining to be executed on capital account and not provided for :		Nil	Nil

**32 Related party disclosure**

Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind As)- 24 on "Related Party Disclosure" are as follows:

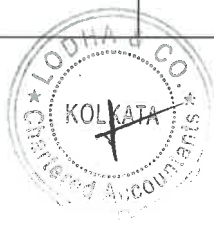
**32.1 Name of the related parties and description of relationship with whom transactions have taken place:**

Name	Relationship
GTFS Multi Services Limited	Holding Company
<b>Key Managerial Personnel (KMP)</b>	
Mr. Dipankar Chatterjee	Non Executive Chairman
Mr. Sourav Ghosh	Managing Director
Mr. Jaydeep Ghosh	Whole Time Director and CEO
Ms. Aatreyee Majumder	Whole Time Director
Mr. Sandip Das	Non Executive Non Independent Director
Mr. Rana Som	Nominee Director (Upto September 20, 2021)
Mr. Rana Som	Independent Director (w.e.f. September 28, 2021)
Mr. Subrata Gupta	Independent Director
Mr. Shanta Ghosh	Independent Director (Upto February 8, 2023)
Mr. Sandip Ghose	Director (upto July 15, 2022)
Mr. Samir Kumar Barua	Director (upto July 14, 2022)
Mr. Pratip Choudhari	Director (upto w.e.f. March 4, 2022)
<b>Other Related Parties</b>	
Mr. Bhabesh Majumder	Father of Ms. Aatreyee Majumder
Ms. Sona Majumder	Mother of Ms. Aatreyee Majumder
Ms. Abira Majumder	Individual having significant influence
Mr. Adipta Majumder	Individual having significant influence

**32.2 Transaction with related parties**

Particulars	Holding company	Key Managerial Personal	Other Related Parties
<b>Rent and maintenance charges</b>			
-GTFS Multi Services Limited	221.42 (218.50)	- (-)	- (-)
- Mr. Bhabesh Majumder	- (-)	- (-)	3.25 (3.36)
<b>Remuneration</b>			
-Mr. Sourav Ghosh	- (-)	39.50 (38.94)	- (-)
-Ms. Aatreyee Majumder	- (-)	36.74 (35.92)	- (-)
-Mr. Jaydeep Ghosh	- (-)	36.74 (35.92)	- (-)
<b>Sitting fees</b>			
-Mr. Samir Kumar Barua	- (-)	- (0.16)	- (-)
-Mr. Shanta Ghosh	- (-)	0.65 (2.62)	- (-)
-Mr. Pratip Chaudhuri	- (-)	- (1.91)	- (-)
-Mr. Dipankar Chatterji	- (-)	6.00 (5.34)	- (-)
-Mr. Sandip Ghose	- (-)	- (0.16)	- (-)
-Mr. Rana Som	- (-)	4.80 (3.98)	- (-)
-Mr. Subrata Gupta	- (-)	3.45 -	- (-)
-Mr. Sandip Das	- (-)	4.05 -	- (-)

# Numbers in brackets represent previous year's figures





**JAGARAN MICROFIN PRIVATE LIMITED**
**CIN : U74210WB1993PTC057457**
**Notes to the Financial Statements as at and for the Year ended March 31, 2023**

(All amount in ₹ lakhs, unless otherwise stated)

**32.3 Balance outstanding as at the end of the reporting period**

Particulars	Holding company	Key Managerial Personal	Other Related Parties
<b>Remuneration payable</b>			
-Mr. Sourav Ghosh	- (-)	1.82 (1.37)	- (-)
-Ms. Aatreyee Majumder	- (-)	2.99 (2.16)	- (-)
-Mr. Jaydeep Ghosh	- (-)	2.31 (0.76)	- (-)
<b>Equity share capital</b>			
-GTFS Multi Services Private Limited	3,481.56 (3,481.56)	- (-)	- (-)
-Ms. Aatreyee Majumder	- (-)	400.00 (300.00)	- (-)
-Ms. Abira Majumder	- (-)	- (-)	473.79 (371.04)
-Mr. Adipta Majumder	- (-)	- (-)	400.00 (300.00)
-Ms. Sona Majumder	- (-)	- (-)	160.01 (160.01)
<b>Security Deposit for Rent</b>	69.76 (69.76)	- (-)	- (-)

# Numbers in brackets represent previous year's figures

**32.4 Details of remuneration paid/ payable to Key Managerial Personnel for the year ended March 31, 2023**

Particulars	Mr. Sourav Ghosh	Ms. Aatreyee Majumder	Mr. Jaydeep Ghosh
<b>Short term employee benefits</b>			
- Basic salary	18.46	17.16	17.16
- House rent and other allowances	18.82	17.52	17.52
<b>Post employment benefits</b>			
- Contribution to provident fund	2.22	2.06	2.06
<b>Total remuneration</b>	<b>39.50</b>	<b>36.74</b>	<b>36.74</b>

**Details of remuneration paid/ payable to Key Managerial Personnel for the year ended March 31, 2022**

Particulars	Mr. Sourav Ghosh	Ms. Aatreyee Majumder	Mr. Jaydeep Ghosh
<b>Short term employee benefits</b>			
- Basic salary	17.86	16.40	16.40
- House rent and other allowances	18.94	17.55	17.55
<b>Post employment benefits</b>			
- Contribution to provident fund	2.14	1.97	1.97
<b>Total remuneration</b>	<b>38.94</b>	<b>35.92</b>	<b>35.92</b>

\* Post employment benefits contribution does not include contribution towards gratuity for the individual KMPs as the individual data for the same is not available and the same is provided for based on actuarial valuation.

**32.5 The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.**
**33 Earnings per share**

Particulars	Refer note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Amount used as the numerator			
Profit for the year available to equity shareholders (₹)		295.81	364.65
(b) Weighted average number of equity shares outstanding used as the denominator for computing basic and diluted earnings per share	33.1	5,01,61,953	4,82,96,200
Par value per equity Share (₹)		10.00	10.00
Basic and diluted earnings per Share (₹) [a/b]		0.58	0.76

**33.1 The company does not have any dilutive potential equity share.**
**34 Corporate social responsibility (CSR) expenditure**

In accordance to Section 135 of Companies Act 2013, the Company has incurred ₹ 15.19 lakhs (Previous year: ₹ 48.29 lakhs) as CSR expenditure. Under the CSR activities, the Company has arranged free skill development training for women, free medical camp, free primary school training, financial literacy programme, merit scholarship, free coaching centre and other social security programmes.



**JAGARAN MICROFIN PRIVATE LIMITED**
**CIN : U74210WB1993PTC057457**
**Notes to the Financial Statements as at and for the Year ended March 31, 2023**

(All amount in ₹ lakhs, unless otherwise stated)

**34.1 Details of CSR expenditure**

Sl No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i)	Gross Amount required to be spent by the company during the year	20.32	42.49
(ii)	Amount spent during the year :		
	a) Construction/ acquisition of any asset		
	-in cash	-	-
	-yet to be paid in cash	-	-
	b) On purpose other than (a) above		
	-in cash	15.19	48.29
	-yet to be paid in cash	-	-
(iii)	Previous year excess spent adjusted with current year requirement to be spent	5.13	-
(iv)	Unspent amount during the year	-	-
(v)	Reason for shortfall	Not applicable	Not applicable

**34.2 Details of excess amount spent**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Opening balance</b>	5.80	-
Amount required to be spent during the year	20.32	42.49
Amount spent during the year	15.19	48.29
<b>Closing balance</b>		
-To be carried forward for next year	0.67	5.80
-Not to be carried forward for next year	-	-

**35 Registration of charges or satisfaction with Registrar of Company (ROC)**

Brief description of charge or satisfaction	Location of the registrar	The period by which the charge or satisfaction had to be register	Reason for delay in registration
CSB-TL Agst FD (0161-04564259-100201-1)	ROC- Kolkata	March 29, 2023	It is a collaboration loan against fixed deposit and charge is not required to be filed moreover loan has been settled in first week of April 2023.
CSB-TL Agst FD (0161-04564259-100202-1)-	ROC- Kolkata	March 29, 2023	
MAS Financial Services Ltd._TL-58A & 58B	ROC- Kolkata	November 06, 2022	There is some tax related dispute, regarding which follow-up is going on. This will be settled soon.
MAS Financial Services Ltd._TL-58A & 58B	ROC- Kolkata	November 06, 2022	
EcLEAR Leasing and Finance Pvt Ltd	ROC- Kolkata	July 31, 2022	Follow-up is going on and this will be settled soon.
UCO T/L No. 00690610006115	ROC- Kolkata	August 17, 2020	NOC already provided but due to change in address of the Company revised NOC for CHG-4 is needed.
Electronica Finance Ltd.	ROC- Kolkata	May 01, 2022	

**36** Based on information available with the company from the website of Ministry of Corporate Affairs, the company, neither had any transaction during the year ended March 31, 2023 and March 31, 2022 with companies, which have been struck off by the Registrar of Companies, nor any balance is outstanding from such companies as at the end of reporting years.



JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

### 37 Employee benefits

#### 37.1 Defined Contribution Plan:

The Company makes contributions for eligible employees to provident fund and employee state insurance fund. Under these schemes, the company is required to contribute a specified percentage/ fixed amount of the payroll cost to fund the benefits. The contribution as specified under the law are paid to the respective fund set up by the government authority and is limited to the amount contributed and the company has no further contractual nor any constructive obligation.

Defined Contribution Plan	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to Provident Fund	92.31	91.28
Contribution to Employee State Insurance	33.30	33.71
Contribution to Gratuity	22.21	20.73

#### 37.2 Defined benefit plan

The Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

##### a Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ assets and its components:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Reconciliation of present value of defined benefit obligation</b>		
Obligation at the beginning of the year	105.60	92.23
Current service cost	23.11	22.13
Interest cost	6.99	6.28
Past service cost	-	-
Actuarial (gains)/ losses recognised in other comprehensive income		
- Changes in experience adjustments	6.64	6.63
- Changes in financial assumptions	(0.75)	(10.19)
Benefits settled	(19.41)	(11.48)
<b>Obligation at the end of the year</b>	<b>122.18</b>	<b>105.60</b>
<b>Reconciliation of present value of plan assets</b>		
Plan assets at the beginning of the year, at fair value	105.50	81.36
Interest income on plan assets	7.69	5.86
Re-measurement- actuarial gain	-	(0.60)
Return on plan assets	(0.87)	(1.55)
Employer contributions	39.95	31.91
Benefits settled	(19.41)	(11.48)
<b>Plan assets at the end of the year, at fair value</b>	<b>132.86</b>	<b>105.50</b>
<b>Net defined benefit liability</b>	<b>(10.68)</b>	<b>0.10</b>

##### b Expense recognised in profit or loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	23.11	22.13
Interest cost	6.99	6.28
<b>Net gratuity cost</b>	<b>30.10</b>	<b>28.41</b>

##### c Income recognised in profit or loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income	7.69	5.86
<b>Net gratuity income</b>	<b>7.69</b>	<b>5.86</b>

##### d Re-measurement recognised in other comprehensive income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Re-measurement of the net defined benefit liability</b>		
- Changes in experience adjustments	(0.75)	(10.19)
- Changes in financial assumptions	6.64	6.63
<b>Re-measurement of the net defined benefit asset</b>		
Return on plan assets (greater)/ less than discount rate	0.87	1.55
<b>Total actuarial (gain)/ loss included in OCI</b>	<b>6.76</b>	<b>(2.01)</b>

##### e Plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Funds managed by insurer	100%	100%



**JAGARAN MICROFIN PRIVATE LIMITED**
**CIN : U74210WB1993PTC057457**
**Notes to the Financial Statements as at and for the Year ended March 31, 2023**

(All amount in ₹ lakhs, unless otherwise stated)

**f Defined benefit obligation - actuarial assumptions**

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.29%	7.26%
Expected return on plan asset	7.29%	7.26%
Rate of compensation increase (salary inflation)	6.00%	6.00%
Early retirement & disablement (all causes combined)	1.00%	1.00%

**g Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	As at March 31, 2023			
	Increase	%	Decrease	%
Discount rate (+/- 0.5%)	110.52	-9.55%	135.41	10.82%
Future salary growth (+/- 0.5%)	135.15	10.61%	110.39	-9.65%
Attrition rate (+/- 0.5%)	122.13	-0.05%	122.24	0.05%
Mortality rate (+/- 10%)	122.27	0.07%	122.10	-0.07%
	As at March 31, 2022			
	Increase	%	Decrease	%
Discount rate (+/- 100 basis points)	95.09	-9.95%	117.56	11.32%
Future salary growth (+/- 100 basis points)	117.59	11.36%	94.98	-10.06%
Attrition rate (+/- 100 basis points)	105.51	-0.09%	105.70	0.09%
Mortality rate (+/- 100 basis points)	105.68	0.08%	105.52	-0.08%

**h Table showing cash flow information**

Particulars	As at March 31, 2023	As at March 31, 2022
Next year liability (expected)	158.56	139.76
Minimum funding requirements	17.00	27.43
Company's discretion	-	-

**i Table showing maturity analysis of the defined benefit plan**

Particulars	As at March 31, 2023	As at March 31, 2022
Year 1	0.95	0.80
Year 2	0.99	0.87
Year 3	1.08	0.92
Year 4	2.11	1.00
Year 5 and above	685.22	625.95
Total undiscounted payments related to past service	690.35	0.01
Less: Discount for interest	568.17	523.93
Projected benefit obligation	122.19	(0.01)

**38 Risk management and impairment allowance**

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Risk Management Committee and the Board of Directors.

The Company has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk through-out the Company. The risk management process is continuously reviewed, improved and adapted in the context of changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Company has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

**38.1 Credit risk**

The Company is a rural focused NBFC-MFI with a geographically diversified presence in India and offer income generation loans under the joint liability group model, predominantly to women from low-income households in rural areas. Further, as we focus on providing micro-loans in rural areas, our results of operations are affected by the performance and the future growth potential of microfinance in rural India. Our clients typically have limited sources of income, savings and credit histories and our loans are typically provided free of collateral. Such clients generally do not have a high level of financial resilience, and, as a result, they can be adversely affected by declining economic conditions and natural calamities. In addition, we rely on non-traditional guarantee mechanisms rather than tangible assets as collateral, which may not be effective in recovering the value of our loans.

In order to mitigate the impact of credit risk in the future profitability, the Company creates impairment loss allowance basis the expected credit loss (ECL) model for the outstanding loans as at balance sheet date.

The below discussion describes the Company's approach for assessing impairment as stated in note 3.14 of the significant accounting policies.

**A) Probability of default (PD)**

The Company determines PD on a collective basis. The Company uses historical information of its loan portfolio to estimate PD.

In determining the above PD's, an effort is made to eliminate outliers for a particular observation period which are not likely to happen in future. Accordingly, the Company determines PD depending upon the underlying classification of asset (i.e. Stage I or Stage II).



## JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

## Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

**B) Exposure at default (EAD)**

The outstanding balances as at the reporting date is considered as EAD by the Company.

**C) Loss given default**

The Company determines its expectation of lifetime loss by estimating recoveries towards its entire loan portfolio through analysis of historical information. The Company determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. Based on its analysis of historical trends, the Company has assessed that significant recoveries happen in the year in which default has occurred. Accordingly, it believes no significant difference arise from discounting such recoveries for determining ultimate loss rates.

D) The movement of expected credit loss has been disclosed in note no. 41.8

**38.2 Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity and other market changes. The Company is exposed to two types of market risks as follows:

**38.2a Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

**Interest rate risk exposure on financial liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed rate borrowings	16,384.94	10,543.88
Variable rate borrowings	16,574.26	18,536.74
<b>Total borrowings*</b>	<b>32,959.20</b>	<b>29,080.62</b>

\* Before adjustment of processing cost

**Sensitivity analysis**

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before tax is affected through the impact on floating rate borrowings, as follows:

Finance cost	Impact of profit before tax		Impact on equity	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Increase by 50 basis points	(82.87)	(92.68)	(82.87)	(92.68)
Decrease by 50 basis points	82.87	92.68	82.87	92.68

The above sensitivity has been calculated holding all other variables constant

As the company has accumulated losses the tax impact has not been considered for sensitivity

**38.2b Liquidity risk**

Liquidity risk refers to the risk that the Company may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operating and financing activities to meet its financial obligations as and when they fall due. Our resource mobilization team sources funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilization team is responsible for diversifying fundraising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed. The maturity schedule for all financial liabilities and assets are regularly reviewed and monitored. Company has a asset liability management (ALM) policy and ALM Committee to review and monitor the liquidity risk and ensure the compliance with the prescribed regulatory requirement. The ALM Policy prescribes the detailed guidelines for managing the liquidity risk.

The table below summarises the carrying value and contractual cash flows of the Company's financial liabilities:

Particulars	Carrying value	Contractual cash flows		
		Less than 1 year	1 year to 5 years	Total
<b>March 31, 2023</b>				
Trade payables	7.39	7.39	-	7.39
Debt securities	1,929.31	1,929.31	-	1,929.31
Borrowings (other than debt securities)	30,015.69	21,054.73	9,474.74	30,529.47
Subordinated liabilities	500.42	0.42	500.00	500.42
Other financial liabilities	1,725.49	1,725.49	-	1,725.49
<b>Total</b>	<b>34,178.30</b>	<b>24,717.34</b>	<b>9,974.74</b>	<b>34,692.08</b>
<b>March 31, 2022</b>				
Trade payables	14.71	14.71	-	14.71
Debt securities	4,304.74	2,104.74	2,200.00	4,304.74
Borrowings (other than debt securities)	23,992.03	13,682.26	10,593.20	24,275.46
Subordinated liabilities	500.42	0.42	500.00	500.42
Other financial liabilities	219.09	219.09	-	219.09
<b>Total</b>	<b>29,030.99</b>	<b>16,021.22</b>	<b>13,293.20</b>	<b>29,314.42</b>





JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

**39 Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Assets	As at March 31, 2023		
	Within 12 Months	After 12 Months	Total
Cash and cash equivalents	2,133.33	-	2,133.33
Bank balances other than cash and cash equivalents	2,232.68	2,333.47	4,566.15
Trade receivables	68.57	-	68.57
Loans	26,266.62	7,621.07	33,887.69
Other financial assets	1,615.56	1,199.73	2,815.29
Tax assets (net)	217.36	793.46	1,010.82
Property, plant and equipment	-	38.51	38.51
Other intangible assets	-	22.78	22.78
Other non-financial assets	73.19	-	73.19

Assets	As at March 31, 2022		
	Within 12 Months	After 12 Months	Total
Cash and cash equivalents	3,055.61	-	3,055.61
Bank balances other than cash and cash equivalents	3,513.25	787.17	4,300.42
Trade receivables	-	-	-
Loans	24,699.52	5,025.50	29,725.02
Other financial assets	200.15	89.67	289.82
Tax assets (net)	155.53	852.53	1,008.06
Property, plant and equipment	-	66.20	66.20
Other intangible assets	-	25.79	25.79
Other non-financial assets	74.25	-	74.25

Liabilities	As at March 31, 2023		
	Within 12 Months	After 12 Months	Total
Trade payables	7.39	-	7.39
Debt securities	1,929.31	-	1,929.31
Borrowings (other than debt securities)	20,711.02	9,304.67	30,015.69
Subordinated liabilities	0.42	500.00	500.42
Other financial liabilities	1,725.49	-	1,725.49
Provisions	81.43	37.68	119.11
Other non-financial liabilities	56.78	-	56.78

Liabilities	As at March 31, 2022		
	Within 12 Months	After 12 Months	Total
Trade payables	11.29	3.42	14.71
Debt securities	2,104.74	2,200.00	4,304.74
Borrowings (other than debt securities)	13,625.34	10,366.69	23,992.03
Subordinated liabilities	0.42	500.00	500.42
Other financial liabilities	219.09	-	219.09
Provisions	71.18	37.03	108.21
Other non-financial liabilities	34.76	-	34.76

For the year ended March 31, 2023, all borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any, have been waived off by the lenders.

**40 Financial instruments and related disclosures**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of Financial asset, Financial liability and equity instrument are disclosed in Note 3 to the financial statements.



JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

**A) Categories of financial instruments**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
<b>a) Measured at amortised cost</b>				
i) Cash and cash equivalents	2,133.33	2,133.33	3,055.61	3,055.61
ii) Bank balances other than cash and cash equivalents	4,566.15	4,566.15	4,300.42	4,300.42
iii) Trade receivables	68.57	68.57	-	-
iv) Loans	33,887.69	33,887.69	29,725.02	29,725.02
v) Other financial assets	2,815.29	2,815.29	289.82	289.82
Sub-total	<b>43,471.03</b>	<b>43,471.03</b>	<b>37,370.87</b>	<b>37,370.87</b>
<b>b) Measured at Fair value through profit or loss</b>				
i) Investments	-	-	-	-
Sub-total	-	-	-	-
<b>c) Measured at Fair value through other comprehensive income</b>				
i) Loans	-	-	-	-
Sub-total	-	-	-	-
<b>Total financial assets</b>	<b>43,471.03</b>	<b>43,471.03</b>	<b>37,370.87</b>	<b>37,370.87</b>
<b>Financial liabilities</b>				
<b>a) Measured at amortised cost</b>				
i) Payables	7.39	7.39	14.71	14.71
ii) Debt securities	1,929.31	1,929.31	4,304.74	4,304.74
iii) Borrowings (other than debt securities)	30,015.69	30,015.69	23,992.03	23,992.03
iv) Subordinated debt	500.42	500.42	500.42	500.42
v) Other financial liabilities	1,725.49	1,725.49	219.09	219.09
<b>Total financial liabilities</b>	<b>34,178.30</b>	<b>34,178.30</b>	<b>29,030.99</b>	<b>29,030.99</b>

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

**Loans measured at amortised cost**

The management assessed the fair values of loans approximate their carrying amounts largely due to the short-term maturities or the general realization equal to the carrying value of these instruments.

**Other financial assets measured at amortised cost**

For other financial assets that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash, cash equivalents, other bank balances, trade receivables and other financial assets.

**Debt Securities, subordinated liabilities and other borrowings measured at amortised cost**

The fair values of debts are estimated using a discounted cash flow model based on observable future cash flows based on terms, discounted at a rate that

**Other financial liabilities measured at amortised cost**

For other financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include trade and other payables.

**B) Fair value hierarchy**

Quoted prices in an active market (Level 1): Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity and mutual funds instruments that have quoted price. The fair value of all equity and mutual funds instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Valuation techniques with observable inputs (Level 2): The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Valuation techniques with significant unobservable inputs (Level 3): If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**C) Utilization of Borrowed Funds and Securities Premium**

No funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



**JAGARAN MICROFIN PRIVATE LIMITED**

CIN : U74210WB1993PTC057457

Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

**41 RBI Disclosures**
**41.1 Disclosure as required under RBI Master Direction DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 (as amended) :**
**Capital to Risk Assets Ratio**

Capital ratios	Capital funds	Total risk weighted assets	As at March 31, 2023	As at March 31, 2022	Variance
Tier I capital as a percentage of total risk weighted assets (%)	9,445.90	41,445.81	22.79%	25.20%	-9.56%
Tier II capital as a percentage of total risk weighted assets (%)	281.15	41,445.81	0.68%	1.11%	-38.89%
Total capital (%)	9,727.05	41,445.81	23.47%	26.31%	-10.80%

**41.2 Liquidity coverage ratio**

Based on the requirements mentioned in RBI circular no. RBI/2019-20/88 D.O.R. NBFC(PD) CC.No.102/03.310.001/2019-20 dated November 04, 2019 liquidity coverage ratio is not applicable on the company and hence the same is not disclosed.

**41.3 Ratings**

Particulars	Rating Agency	Ratings	Date	Valid upto	Amount
Term borrowings from banks and sub debt	Aquite	BBB	10-May-22	10-May-23	400.00 Crore
Non convertible debentures	ICRA	BB+ (Stable)	31-May-22	31-May-23	77.00 Crore

41.4 The Company has no exposure to Capital Market (apart from indirect exposure through Investments in mutual funds as disclosed above) or has not issued any gold loans.

**41.5 Exposure to real estate sector, both direct & indirect**

The Company does not have any direct or indirect exposure to the real estate sector as at March 31, 2023.

**41.6 Other disclosures**

- The Company, during the current year and previous year, has no exposure in derivatives.
- It has also not transferred any loans through securitization nor has purchased or sold any non-performing financial assets during the said periods.
- The Company has not engaged in financing of any holding company products. During the year, no Single Borrower Limit (SGL) / Group Borrower Limit (GBL) was exceeded by the Company.
- The Company is not registered with any from other financial sector regulators.
- During the current and previous years, no penalties were imposed by the RBI and other regulators.
- There were no draw down from reserves, concentration of deposits, advances, exposures and NPAs during the current and previous years.

**41.7 Maturity pattern of assets and liabilities**
**Maturity pattern of certain items of assets and liabilities as at March 31, 2023**

Particulars	Liabilities			Assets	
	Borrowings from banks and others	Market borrowings	Total	Advances	Total
Up to one Month	2,752.38	279.31	3,031.69	2,940.53	2,940.53
Over one Month to 2 Months	2,339.17	275.00	2,614.17	2,458.93	2,458.93
Over 2 Months upto 3 Months	2,206.75	275.00	2,481.75	2,468.08	2,468.08
Over 3 Months upto 4 Months	2,027.05	275.00	2,302.05	2,432.20	2,432.20
Over 4 Months upto 6 Months	3,652.18	550.00	4,202.18	5,032.26	5,032.26
Over 6 Months to 1 Year	8,077.62	275.00	8,352.62	11,228.95	11,228.95
Over 1 Year to 3 Years	9,974.74	-	9,974.74	7,571.01	7,571.01
Over 3 Years to 5 Years	-	-	-	-	-
Over 5 Years	-	-	-	-	-
<b>Total</b>	<b>31,029.89</b>	<b>1,929.31</b>	<b>32,959.20</b>	<b>34,131.96</b>	<b>34,131.96</b>

- All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.
- The maturity pattern of advances has been presented considering the effect of subsequent moratorium provided to the borrowers after the balance sheet date.

**Maturity pattern of certain items of assets and liabilities as at March 31, 2022**

Particulars	Liabilities			Assets	
	Borrowings from banks and others	Market borrowings	Total	Advances	Total
Up to one Month	1,239.57	179.74	1,419.31	2,240.27	2,240.27
Over one Month to 2 Months	1,038.23	-	1,038.23	2,487.52	2,487.52
Over 2 Months upto 3 Months	1,140.40	-	1,140.40	2,667.15	2,667.15
Over 3 Months upto 4 Months	1,032.18	-	1,032.18	2,534.52	2,534.52
Over 4 Months upto 6 Months	3,428.89	-	3,428.89	5,132.48	5,132.48
Over 6 Months to 1 Year	5,803.41	1,925.00	7,728.41	9,637.58	9,637.58
Over 1 Year to 3 Years	10,843.20	2,200.00	13,043.20	5,803.55	5,803.55
Over 3 Years to 5 Years	250.00	-	250.00	-	-
Over 5 Years	-	-	-	-	-
<b>Total</b>	<b>24,775.88</b>	<b>4,304.74</b>	<b>29,080.62</b>	<b>30,503.07</b>	<b>30,503.07</b>

Note: The above information has been considered as per the Asset Liability Management Report compiled by the Management and reviewed by the ALM Committee. The maturity pattern include future interest inflows/ outflows on advances/ borrowings.





JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

41.8 Movement of loan and estimated credit loss (ECL)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets opening	25,769.83	3,520.96	1,212.28	30,503.07	16,557.19	16,515.13	2,687.34	35,759.66
New Assets originated during the year, netted off for repayments and derecognised portfolio	5,403.48	(1,485.18)	(87.81)	3,830.49	3,480.75	(5,743.76)	(472.33)	(2,735.34)
Assets written off during the year	(10.75)	(4.46)	(186.39)	(201.60)	(64.12)	(2,387.82)	(69.31)	(2,521.25)
<b>Movement between stages</b>								
Transfer to Stage 1	1,685.94	(1,733.17)	47.22	-	5,796.01	(5,761.26)	(34.75)	-
Transfer to Stage 2	(629.16)	631.34	(2.17)	-	898.67	898.67	(898.67)	-
Transfer to Stage 3	(691.41)	-	691.41	-	-	-	-	-
Gross carrying value of assets closing balance	31,527.93	929.49	1,674.54	34,131.96	25,769.83	3,520.96	1,212.28	30,503.07

Particulars	As At March 31, 2023				As At March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	70.81	301.79	900.01	1,272.61	47.53	1,651.51	2,035.65	3,734.69
New assets originated during the year, netted off for repayments and derecognised portfolio	-	(10.44)	-	(10.44)	-	(118.39)	(2,035.65)	(2,154.04)
Assets written off during the year	(0.06)	(0.55)	(52.54)	(53.15)	(0.17)	(238.79)	(69.08)	(308.04)
<b>Movement between Stages</b>								
Transfer to Stage 1	11.68	(11.68)	-	-	23.45	(23.45)	-	-
Transfer to Stage 2	-	-	-	-	(0.00)	-	-	(0.00)
Transfer to Stage 3	-	(184.48)	184.48	-	(0.00)	(969.09)	969.09	(0.00)
ECL allowance - closing balance	82.43	94.64	1,031.95	1,209.02	70.81	301.79	900.01	1,272.61

Comparison between provisions required under Income Recognition, Asset Classification and Provisioning Norms (IRACP) and Impairment Allowances made under Ind AS 109:

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions as required as per IRACP norms*	Differences between Ind AS 109 and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
<b>Performing assets</b>						
Standard	Stage 1	31,527.93	78.82	31,449.11	-	78.82
	Stage 2	929.49	2.32	927.17	-	2.32
Subtotal		32,457.42	81.14	32,376.28	-	81.14
<b>Non performing assets (NPA)</b>						
Substandard	Stage 3	1,674.54	1,127.88	546.66	1,114.85	13.03
Subtotal		1,674.54	1,127.88	546.66	1,114.85	13.03
Other items such as guarantees, loan commitments etc. which are in the scope of IndAS 109 but not covered under IRACP	NA			NA		
<b>Total</b>	Stage 1	31,527.93	78.82	31,449.11	-	78.82
	Stage 2	929.49	2.32	927.17	-	2.32
	Stage 3	1,674.54	1,127.88	546.66	1,114.85	13.03

\* As per IRACP norms, the aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the 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.



**JAGARAN MICROFIN PRIVATE LIMITED**

CIN : U74210WB1993PTC057457

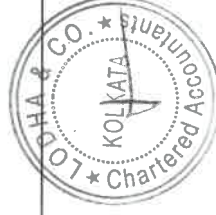
Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

**41.9 Notes to the balance sheet of a non deposit taking Non Banking Financial Company as required under RBI master direction DOR.CRE.NO.60/03.10.001/2021-22 dated October 22, 2021 on "Scale Based Regulation (SBR); A revised regulatory framework"**

**A) Sectoral exposure**

Sectors	Current year			Previous year		
	Total exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of gross NPAs to total exposure in that sector	Total exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of gross NPAs to total exposure in that sector
<b>1. Agriculture and allied activities</b>	13,029.20	504.95	3.88%	11,501.68	441.21	3.84%
Sectors	Current Year			Previous Year		
	Total exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of gross NPAs to total exposure in that sector	Total exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of gross NPAs to total exposure in that sector
<b>2. Industry</b>						
i....	-	-	-	-	-	-
ii....	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total of industry (i+ii+...+others)	-	-	-	-	-	-
<b>3. Services</b>						
i....	-	-	-	-	-	-
ii....	-	-	-	-	-	-
Others	4,509.86	151.63	3.36%	3,628.09	126.76	2.56%
Total of services (i+ii+...+others)	4,509.86	151.63	3.36%	3,628.09	126.76	2.56%
<b>4. Personal loans</b>						
i....	-	-	-	-	-	-
ii....	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total of personal loans (i+ii+...+others)	-	-	-	-	-	-
<b>5. Others, if any (please specify)</b>	17,582.52	1,017.96	5.79%	15,373.30	842.84	5.48%



**JAGARAN MICROFIN PRIVATE LIMITED**

CIN : U74210WB1993PTC057457

**Notes to the Financial Statements as at and for the Year ended March 31, 2023**

(All amount in ₹ lakhs, unless otherwise stated)

**B) Related party disclosure**

Related party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Items														
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	69.76	69.76	-	-	-	-	-	-	-	-	-	-	69.76	69.76
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	3,702.98	3,637.06	-	-	-	-	531.93	424.95	3.25	3.36	873.79	671.04	5,111.95	4,736.41



JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

**C) Disclosure of complaints**

**Top five grounds of complaints received by Jagaran Microfin Private Limited from customers**

Sl No.	Grounds of complaints (i.e complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase in the number of complaints received over the previous year	% decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days.
	1	2	3		4	5	6
<b>Current year (FY 2022-2023)</b>							
1	Updation/Dispute on data in credit information report	Nil	4	33.33%	-	Nil	Nil
2	Pre-closure of loan accounts	Nil	2	No Change		Nil	Nil
3	Difficulty in operation of accounts	Nil	1	No Change		Nil	Nil
4	Overlending	Nil	0	-	100%	Nil	Nil
<b>Total</b>			<b>7</b>				
<b>Previous year (FY 2021-2022)</b>							
1	Updation/Dispute on data in credit information report	Nil	3	-	57.14%	Nil	Nil
2	Pre-closure of loan accounts	Nil	2	100%	-	Nil	Nil
3	Difficulty in operation of accounts	Nil	1	-	80%	Nil	Nil
4	Overlending	Nil	1	100%	-	Nil	Nil
<b>Total</b>			<b>7</b>				



**Section II**  
(Applicable for annual financial statements of NBFC-ML and NBFC-UL)

**D) Corporate governance**

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Paragraph C of Schedule V - Annual Report) as amended from time to time, specifies disclosures to be made in the section on the corporate governance of the Annual Report. With respect to the corporate governance report, non-listed NBFCs should also endeavour to make full disclosure in accordance with the requirement of SEBI (LODR) Regulation, 2015. Non-listed NBFCs at the minimum should disclose following under the corporate governance section of the annual report.

**Composition of the Board**

Sl No	Name of Director	Director Since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	No. of Board meetings		No. of other Directorships	Remuneration			No of Shares held in convertible Instruments held in NBFC
					Held	Attended		Salary	Sitting Fees	Commission	
1	Mr. Dipankar Chatterjee	2016	Chairman	00031256	6	6	10	-	6.00	NIL	NIL
2	Mr. Rana Som	2021	Independent	00352904	6	6	5	-	4.80	NIL	NIL
3	Mr. Subrata Gupta	2022	Independent	06833844	6	6	1	-	3.45	NIL	NIL
4	Mr. Sandip Das	2019	Non-Executive	09345602	6	6	2	-	4.05	NIL	NIL
5	Mr. Jaydeep Ghosh	2019	Executive	07475085	6	6	0	36.74	-	NIL	NIL
6	Mr. Sourav Ghosh	2019	Executive	08154243	6	6	0	39.50	-	NIL	NIL
7	Ms. Aatreyee Majumder	2019	Executive	08363766	6	6	0	36.74	-	NIL	NIL

Details of change in composition of the Board during the current and previous financial year

Sl No	Name of Director	Capacity	Nature of change	Effective date
1	Mr. Subrata Gupta	Independent	Appointment	11.04.2022
2	Mr. Sandip Das	Non-Executive	Appointment	11.04.2022
3	Ms. Shanta Ghosh	Independent	Resignation	09.02.2023

Where an independent director resigns before expiry of her/ his term, the reasons for resignation as given by her/ him shall be disclosed - Ms Shanta Ghosh has resigned from the position of Independent Director from the Company's Board of Directors and Committee/s with effect from February 09, 2023 in order to reduce workload, preoccupation with other companies and with certain NGOs and there are no other material reasons for her resignation other than those aforesaid.

Details of any relationship amongst the directors inter-se shall be disclosed - NA

Committees of the Board and their composition

**Audit Committee**

Sl No	Name of Director	Member of committee since	Capacity	Number of meetings of the committee		No of shares held in NBFC
				Held	Attended	
1	Mr. Rana Som	2021	Chairperson	5	5	NIL
2	Mr. Dipankar Chatterjee	2016	Independent	5	5	NIL
3	Mr. Sandip Das	2022	Non-Executive	5	5	NIL

**Brief terms of reference of Audit Committee:**

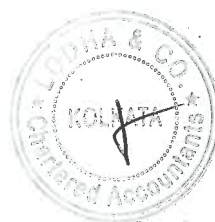
- To review the Financial Reporting, ensuring the correctness & suitability of Financial Statements.
- Recommendation of Internal and External Auditors, scope of their Audits and Audit reports to the Board.
- To review the functioning of the whistle-blower mechanism.
- Reviewing and scrutinizing with management the periodic financial statements/results before submission to the Board, focusing primarily on:
  - matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section (3) of section 134 of the Companies Act, 2013;
  - any changes in accounting policies and practices;
  - any related party transaction
  - the adequacy of internal audit function
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- To ensure that an Information System Audit of the internal systems and processes is conducted yearly to assess operational risks faced by the Company.
- To carry out any other function as is mentioned in the terms of reference of the Audit Committee.

**Nomination and Remuneration Committee**

Sl No	Name of Director	Member of committee since	Capacity	Number of meetings of the committee		No of shares held in NBFC
				Held	Attended	
1	Mr. Rana Som	2021	Chairperson	4	4	NIL
2	Mr. Dipankar Chatterjee	2016	Independent	4	4	NIL
3	Mr. Sandip Das	2022	Non-Executive	4	4	NIL

**Brief Terms of reference of Remuneration and Nomination Committee:**

- To evaluate the skill sets, knowledge and experience required before the appointment of Independent Director and on the basis of such evaluation, prepare a description of the role and capabilities of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description; To review the Financial Reporting, ensuring the correctness & suitability of Financial Statements;
- To formulate the criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors; To review the functioning of the whistle-blower mechanism;
- To extend or to continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- To identify those who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors for their appointment and removal;
- To oversee the framing, review and implementation of compensation policy of the company with the approval of the board;
- To work in close coordination with Risk Management Committee of the company to achieve effective alignment between compensation and risks;
- To ensure 'fit and proper' status of proposed/existing directors and that there is no conflict of interest in appointment of directors on Board of the company, KMP and senior management;



**JAGARAN MICROFIN PRIVATE LIMITED**
**CIN : U74210WB1993PTC057457**
**Notes to the Financial Statements as at and for the Year ended March 31, 2023**
**Risk Management Committee**

SI No	Name of Director	Member of committee since	Capacity	Number of meetings of the committee		No of shares held in NBFC
				Held	Attended	
1	Mr. Subrata Gupta	2022	Chairperson	1	1	NIL
2	Mr. Rana Som	2021	Independent	1	1	NIL
3	Mr. Dipankar Chatterjee	2021	Independent	1	1	NIL

**Brief terms of reference of Risk Management Committee:**

a) Formulate a detailed risk management policy which shall include:

- A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
- Measures for risk mitigation including systems and processes for internal control of identified risks.
- Business continuity plan.

b) Review the major risk management procedures followed at Company in regard to Operational and Process Risk, Credit and Portfolio Risk, Interest Rate Risk, Liquidity Risk, Strategy Risk etc. and steps management has implemented to manage and mitigate identifiable risk;

c) Reviewing with management and the Internal Auditor about significant business risk, political risk, financial and control risks, Industry Risk or exposure to such risk;

d) Reviewing the Internal Risk Based Audit (IRBA) system at the company with awarding the Grading/Scoring;

e) Reviewing the Credit Risk policy including the risk acceptance criteria , identification of early warning signals through Internal Inspection Department , reviewing the provision and write off policies etc.

f) Reviewing the Operational Risk events that had occurred during the quarter and systematic improvements taken/proposed by the Senior Management dealing with operational risk;

g) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

h) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

i) Manage Funding and Capital planning;

j) Pricing, profit planning (value creation and profitability) and growth projections;

**IT STRATEGY COMMITTEE**

SI No	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No of shares held in NBFC
				Held	Attended	
1	Mr. Subrata Gupta	2022	Chairperson	1	1	NIL
2	Mr. Rana Som	2021	Independent	1	1	NIL
3	Mr. Dipankar Chatterjee	2016	Independent	1	1	NIL
4	Mr. Sourav Ghosh	2020	Executive	1	1	NIL
5	Mr. Jaydeep Ghosh	2020	Executive	1	1	NIL

**Brief Terms of reference of IT Strategy Committee**

a) To review, oversee and ensure ongoing IT activities are based on or are developed, maintained and implemented in accordance with the security requirements;

b) To review and implement changes in the policy and procedures of Network management;

c) To review and analyse web-filter management;

d) To review and implement IT security, Server, Patch and Change management;

e) To review the set of standards and procedures followed for procurement of IT assets;

f) To review and verify IT Asset Management are in right place;

g) To review and verify Licence and Warranty management as well as Vendor management;

h) To review Incident management arising out of accidental and malicious disruption of business processes;

i) To review policy on IT Physical and Environmental Security policy and procedure;

j) To review and monitor the processes for Back-up scheduling and retention;

k) To review, establish and ensure implementing procedures for responding to an emergency or other occurrence hampering Business Continuity;

l) To review and ensure Information resources are protected by the use of access control systems that include both internal as well as external;

m) To ensure due compliance are adhered to in terms of applicable laws, rules, guidelines set out by the regulators and the government;

**CSR COMMITTEE**

SI No	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No of shares held in NBFC
				Held	Attended	
1	Mr. Rana Som	2020	Chairperson	0	0	NIL
2	Mr. Sourav Ghosh	2020	Executive	0	0	NIL
3	Mr. Jaydeep Ghosh	2020	Executive	0	0	NIL

**Brief terms of reference of Corporate Social Responsibility Committee**

a) Formulation and recommendation to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013.

b) Recommendation of the amount of expenditure to be incurred on the CSR activities and monitoring the same.

c) Monitoring the Corporate Social Responsibility Policy of the company from time to time





JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

Notes to the Financial Statements as at and for the Year ended March 31, 2023

**General Body Meetings**

Give details of the date, place and special resolutions passed at the General Body Meetings

Sl No	Type of meeting (Annual/ Extra-ordinary)	Date and place	Special resolutions passed
1	Annual General meeting	June 30, 2022 at Kolkata	<ul style="list-style-type: none"><li>• To appoint Mr. Subrata Gupta (DIN - 06833844) as an Independent Director of the company.</li><li>• To appoint Mr. Sandip Das (DIN : 09345602) as Non-Executive Non-Independent Director of the company.</li></ul>
2	Extraordinary General meeting	August 17, 2022 at Kolkata	To approve issue of equity shares of the Company up to Rs. 600. on preferential basis to existing members – Ms Abira Majumder, Ms Aatreyee Majumder and Mr Adipta Majumder.
3	Extraordinary General meeting	March 21, 2023 at Kolkata	<ul style="list-style-type: none"><li>• Re-appointment of Mr. Sourav Ghosh (DIN 08154243) as Managing Director of the company for another term of three years and increase in remuneration.</li><li>• Re-appointment of Mr. Jaydeep Ghosh (DIN – 07475085) as Whole-time Director of the company for another term of three years and increase in remuneration.</li><li>• Re-appointment of Ms. Aatreyee Majumder (DIN – 08363766) as Whole-time Director of the company for another term of three years and increase in remuneration.</li></ul>

**Details of non-compliance with requirements of Companies Act, 2013 - NA**

Give details and reasons of any default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards. – NA

**Details of penalties and strictures - NA**

NBFCs should disclose details of penalties or stricture imposed on it by the Reserve Bank or any other statutory authority. - NA



**JAGARAN MICROFIN PRIVATE LIMITED**
**CIN : U74210WB1993PTC057457**
**Notes to the Financial Statements as at and for the Year ended March 31, 2023**

(All amount in ₹ lakhs, unless otherwise stated)

**42 Additional information to the financial statements**

Notes to the balance sheet of a non deposit taking Non Banking Financial Company as required under RBI master direction DNBR.PD.007/03.10.119/2016-17 dated september 01, 2016, as amended

Particulars	Amount outstanding	Amount overdue
<b>Liabilities side:</b>		
<b>1) Loans &amp; advances availed by the NBFC inclusive of accrued interest thereon but not paid</b>		
(a) Debentures: Secured	1,929.31	Nil
Unsecured	Nil	Nil
(Other than falling within the meaning of public deposits)		
(b) Deferred credits	Nil	Nil
(c) Term loans	30,516.11	Nil
(d) Inter-corporate loans and borrowings	Nil	Nil
(e) Commercial papers	Nil	Nil
(f) Public deposits	Nil	Nil
(g) Other loans (specify nature)	Nil	Nil
<b>2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
(a) In the form of unsecured debentures	Nil	Nil
(b) In the form of partly secured debentures i.e. debenture where there is a shortfall in the value of security	Nil	Nil
(c) Other public deposits	Nil	Nil

**Particulars**

Assets Side:	Amount outstanding
<b>3) Break-up of loans and advances including bills receivables[other than those included in (4) below]</b>	
(a) Secured	Nil
(b) Unsecured	35,015.56
<b>4) Break up of leased assets and stock on hire and other assets counting towards AFC activities</b>	
(i) Lease assets including lease rentals under sundry debtors	
(a) Financial lease	Nil
(b) Operating lease	Nil
(ii) Stock on hire including hire charges under sundry debtors	
(a) Asset on hire	Nil
(b) Repossessed assets	Nil
(iii) Other loans counting towards AFC activities.	
(a) Loans where assets has been repossessed	Nil
(b) Loans other than (a) above	Nil

**5) Break up of investments**
**Current investments**

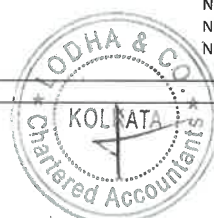
	Amount outstanding
(A) Quoted:	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	Nil
(v) Others (please specify)	Nil
(B) Unquoted:	
(i) Shares: (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	Nil
(v) Others (please specify)	Nil

**Long term investments**

	Amount outstanding
(A) Quoted:	
(i) Shares: (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	Nil
(v) Others (please specify)	Nil
(B) Unquoted:	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	Nil
(v) Others (please specify)	Nil

**6) Borrower group-wise classification of assets, financed (3) and (4) above:**

Category	Amount net of provisions		
	Secured	Unsecured	Total
(i) Related parties			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
(ii) Other than related parties	Nil	33,887.69	33,887.69
<b>Total</b>	<b>Nil</b>	<b>33,887.69</b>	<b>33,887.69</b>





JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

**7) Investor group wise classification of all investments (Current and long term) in shares and securities (both quoted and unquoted category)**

Particulars	Market value/ Break-up on fair value or NAV	Book value
(i) Related parties		
(a) Subsidiaries	Nil	Nil
(c) Other related parties	Nil	Nil
(ii) Other than related parties	Nil	Nil

**8) Other information:**

Particulars

(i) Gross non-performing assets*	
(a) Related parties	Nil
(b) Other than related parties	1,674.54
(ii) Net non performing assets*	
(a) Related parties	Nil
(b) Other than related parties	546.67
(iii) Assets acquired in satisfaction of debt	Nil

\* Non-performing assets represents contracts which are overdue for more than 90 days.

**43 Segment information**

The Company, being a NBFC-MFI operates in a single reportable operating segment i.e. business of micro financing activities and all the other activities revolve around the same and hence there are no separate reportable segments as per Ind AS 108 'Operating segments'. The entire operation of the company is within India.

**44 Previous year's figures**

Comparative figures of the previous year have been regrouped/ rearranged, wherever necessary, make them comparable with those of the current year figures.

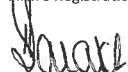
**45 Adoption in board meeting**

These financial statements have been adopted in the meeting of Board of Directors dated May 12, 2023 which is subject to the approval of the shareholder in the ensuing Annual General meeting of the company.

For LODHA & CO

Chartered Accountants

Firm's Registration No.: 301051E



Boman R Parakh

Partner

Membership No. 053400

Place: Kolkata

Date: May 12, 2023



Tanusree Ghosh

Company Secretary



Arun Gupta

Chief Financial Officer

Place: Kolkata

Date: May 12, 2023

For and on behalf of the Board of Directors of

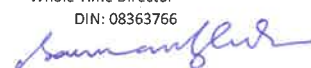
Jagaran Microfin Private Limited



Aatreyee Majumder

Whole Time Director

DIN: 08363766



Sourav Ghosh

Managing Director

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