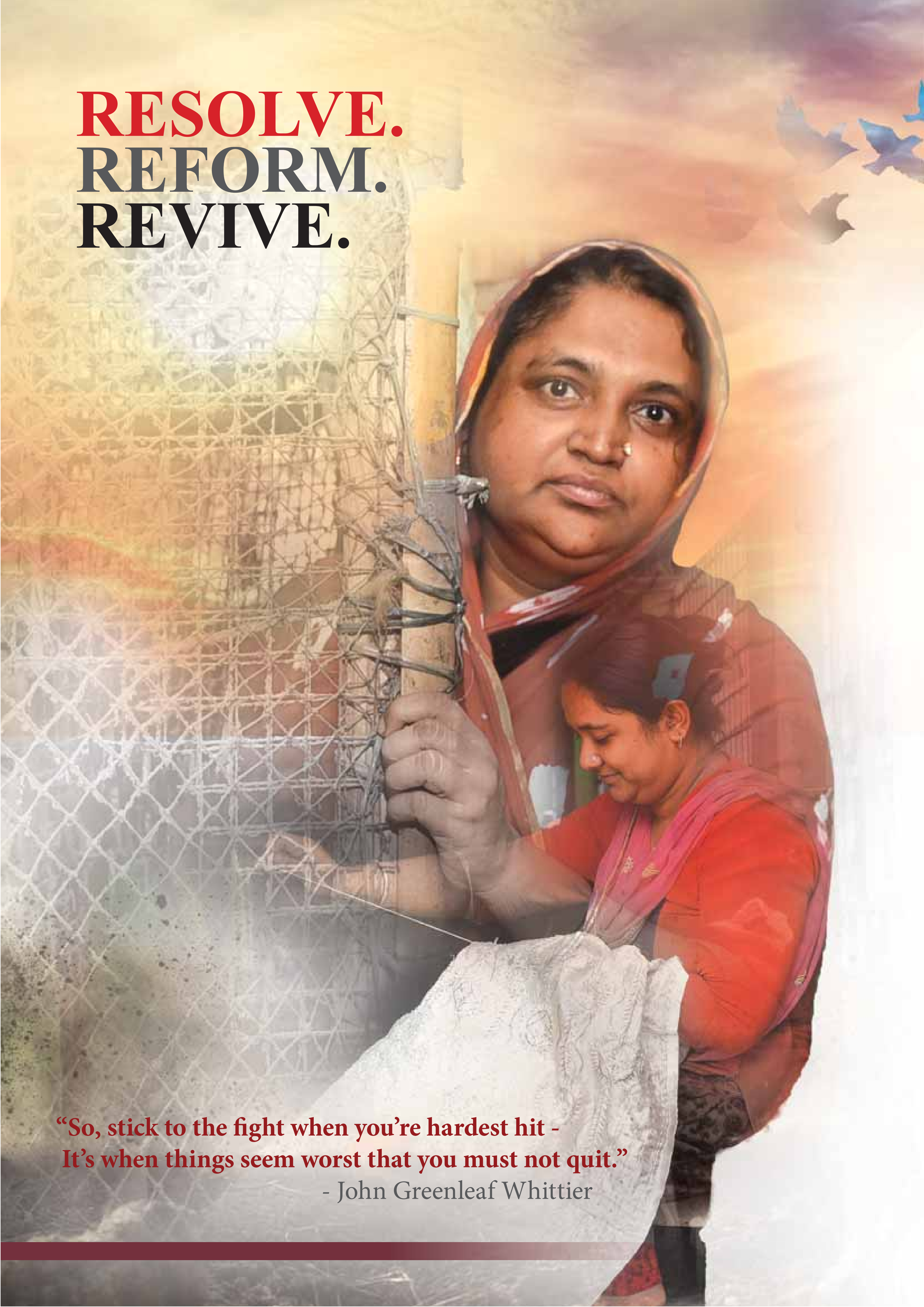
JAGARAN

RESOLVE.
REFORM.
REVIVE.

ANNUAL REPORT 20-21

RESOLVE.
REFORM.
REVIVE.



"So, stick to the fight when you're hardest hit -
It's when things seem worst that you must not quit."

- John Greenleaf Whittier

Research has shown that the 'need for control over the unknown' is instinctual to human beings. So, when faced with danger or unexpected situations, humans are found to be more vigilant and demonstrate a higher degree of determination. As a society, we utilise both material and immaterial resources to overcome such forms of unprecedented crisis and make the best efforts to adapt to such times of change. We absorb new lessons, learn from old mistakes and make innovative use of human skills and resources to meet the demands of the new situation. In the end, after much struggle, we do emerge successful in our endeavours, never forgetting the losses we experienced on the way.

The COVID-19 pandemic has changed our world in several ways. Since March 2020, people found themselves in the midst of crowded hospitals and lockdowns, struggling to escape the grasp of this infectious virus and keep their lives healthy and afloat. The infection crept quietly into our lives confining us in our homes and masks while leaving millions of people unhinged and susceptible to health hazards across the world. As the infection and mortality rate went up in India, administrative officials announced extremely stringent lockdowns that greatly affected employment in the country - thousands lost jobs and were left to face precarious conditions. The pandemic served as an important reminder of the significance of the internet in the domains of communication and education.

People from the economically backward sections of society, and members of the unorganised labour sector, such as daily-wage labourers, market vendors, household workers, sweepers, factory workers, etc., who do not have the means of adapting to the digital mode of functioning suffered the worst. They were disenfranchised further and practically had no form of social protection to sustain themselves. They also faced the brunt of social ostracization for surviving in spaces that do not accommodate the privileges of social distancing and hygiene. Moreover, the rural demography and the agrarian economy of India were greatly burdened by the reverse migration of disenfranchised migrant workers from urban areas to their homes in villages during the nationwide lockdown.

Furthermore, several parts of West Bengal and Odisha were further devastated after being hit by the cyclone Amphan, posing more complex struggles for the less fortunate. The humane values of compassion and empathy we grew up with, were strained and tested as we attempted to face these forms of unprecedented humanitarian crisis that continues to stretch its tentacles of death, suffering and fear into our present.

Jagaran began its operations in November 2010 -around the time the country was dealing with a financial crisis that almost crippled the microfinance sector. Thus, since our inception, remaining patient, resilient and determined when tackling crisis and uncertainty has become the integral values of our organisation. We have committed ourselves to serve the less fortunate and foster financial and social sustainability among such economically disadvantaged communities, not withstanding the challenges that we have had to face in our journey. Moreover, our past experiences with customers, who fight excruciating battles for survival on a regular basis, without succumbing to adversities have demonstrated to us the power and rewards of resilience — it inspires us to commit to our aspirations even in challenging circumstances.

While the pandemic has affected such local interactions to a great extent, our employees have gone the extra mile to support the smooth functioning of our operations at the grassroots level. By following COVID appropriate behaviour and innovating alternative collection strategies, group models, whenever necessary, our employees have continued their engagement with local communities. They have reached out to our customers by paying door-to-door visits and helping them with financial services. Their commitment to fulfilling duties, without quitting, has strengthened the morale of our organisation. We have emerged as a more closely knit, resilient and determined microfinance entity. We hope to have the support and camaraderie of all our stakeholders as we reflect on our journey through 2020-2021.

OUR PRINCIPLES

Vision

To empower members of the economically backward sections of society, especially women and help them advantageously integrate into the financial fabric of our country. We aim to promote economic literacy among such communities by supporting their entrepreneurial ventures through financial investments and systemic advice. We also envision improving accessibility to financial resources among such populations and promote better livelihood, health and education.

Mission

To create a Microfinance institution committed towards developing social and financial sustainability in rural and semi-urban India. We aim to foster the economic empowerment of members belonging to socio-economically backward sections, especially among women who have been historically denied access to financial independence. We wish to promote entrepreneurship and develop other forms of employment opportunities among such members of disadvantaged populations and improve their quality of life in general.

VALUES

As an organisation committed to providing financial services, we have to build and sustain meaningful and sincere relationships with our customers. Most of our operations engage populations in rural and semi-urban areas who are relatively unaware of the financial schemes that are accessible to them. The pandemic has interfered with the way human beings interact with one another, unsettling the very idea of unmasked physical meetings to a great extent. Our employees, who greatly relied on physical meetings and the group model, adapted almost overnight to alternative models of interactions, such as phone calls to ensure continued communication among members of the local population. This has aided our relationships with our customers as they feel that they can always turn to us for financial advice and resources — something they desperately need to stay afloat in times of such crisis. Moreover, we encourage a fair amount of local participation in our operations. Such engagement with the local population on an operational level, in such times of crisis, has proven to be extremely beneficial. Such engagement always demands a higher degree of patience, clarity and empathy.

Transparency

The majority of our customers are from rural and semi-urban parts of India and are quite unaware of the various products that are available as part of financial services. This makes us responsible for not only informing them of the features, advantages and benefits of our products but also making them aware of other useful services and the nuances of good financial schemes. We strive to help them familiarise themselves with such practices and also to make them aware of the pitfalls in the various fraudulent schemes that are common in the rural landscape. Several of our customers lost their livelihoods to the pandemic. Our employees have gone the extra mile in these difficult times and helped them strategise their personal expenditure. Furthermore, they also worked with customers to develop more efficient repayment timelines. These sort of additional engagements help us maintain a sense of goodwill and trust with members of the local community. Furthermore, the pandemic affected our collection methods because it restricted mobility and physical meetings. We offered moratorium to all our customers. Our employees had to maintain the highest standards of transparency and explain the conditions associated with the moratorium to our customers so they better understand what is at stake.

Integrity

The actual test of integrity is the ability to pass the highest levels of scrutiny. Every member of our team rises to this challenge in his or her respective work areas. We undergo audits from leading firms, subject ourselves to stress tests to measure compliance standards and have an exemplary set of people on board who inspire us to reach higher standards of progress. Our management team who comprise members with years of experience, in addition to providing financial counsel have taught our employees the values of 'adaptability'; flexibility and compassion that has helped them improve their approach to such uncertain circumstances.

Determination

Economists and business experts have observed that whenever the economy experiences a crisis, the Microfinance sector is usually among the worst-hit financial systems. This is primarily because such institutions deal with some of the most vulnerable sections of society. The viability of the microfinance sector in India, as a whole, has been put to test by various challenges in the recent past. These challenges include recent episodes such as the government's demonetisation scheme in 2016 and the NBFC meltdown of 2018, to name a few. Moreover, semi-rural and rural areas in eastern India had additional challenges to overcome in the form of natural calamities. Over the years, our Company has struggled through various phases of socio-economic challenges and emerged as a more resilient organisation. Since the very beginning, the necessity of overcoming crisis has been integral to our organisation and has allowed us to imbibe a sense of unflinching determination, when working towards our goals. The pandemic has brought about numerous challenges but the unfettered determination of our customers and employees will certainly help us sail through such challenging times.

Innovation

The Microfinance sector in India has seen periods of rapid transitions. We had realised early that innovation and adaptability in the face of ever-changing circumstances are going to give us the edge in the long run. We continuously examine options to scale our business, simplify routine functions, enhance service delivery and improve our results without compromising on the satisfaction levels of our customers. Before the pandemic, our organisation relied a lot on physical interactions with customers, group models, processes of doorstep collections and disbursements. Moreover, such methods ensured a steady flow of loan repayments from customers, sustaining our liquidity framework. However, with the announcement of nationwide lockdowns, group meetings and mobility were affected that interfered with our cash flow and most of our accounts were under moratorium. Our team adapted to such circumstances and innovated existing collection models. The introduction of our digital pay wallet, IPay, has greatly benefitted several of our customers during the pandemic and ensured an accessible payment facility. Moreover, our employees worked on their efficiency as field collection became more individual centric — we had the same number of clients but our employees had to individually collect funds. In some instances, we remodelled our group strategy and worked with smaller groups, following social distancing protocols.

WHAT WE OFFER

As a Microfinance institution operating in India, Jagaran has actively participated in Industry-level initiatives spearheaded by the Microfinance Institutions Network (MFIN). It has closely followed the MFIN code of conduct that encourages responsible lending operations. Since its inception in November 2010, Jagaran has offered small loans to women beneficiaries engaged in income-generating activities and small-scale business ventures.

» Saral

Saral was our flagship product and it was designed to support small business ventures and are meted out to entrepreneurs engaged in agriculture, cottage industries, animal husbandry or women as artisans. We reworked this particular product in the midst of the pandemic and now lenders can borrow up to ₹30,000 under this scheme at lower interest rates. We also continue to offer other special variant schemes of Saral like Suvidha and Seva that are designed for seasonal expenses and specific needs. Such situation-oriented loan schemes specifically helped those associated with the agricultural sector and own small businesses as various natural disasters (such as floods, cyclones) caused them immense losses.

» Suvidha

Our customers may borrow under this scheme to meet expenses associated with seasonal businesses. They are free to borrow upto ₹25,000 if they wish to avail this borrowing scheme and the loan tenure is of 9 months.

» Seva

To ensure that our borrowers can lead a healthy and hygienic life, we have designed loans for WASH (Water Sanitation and Hygiene) under this scheme. The loan amount under this scheme, ranges from ₹10,000 upto ₹20,000. The tenure for each of these loans is 1 year. Our customers may also borrow under this scheme if they need financial help while adopting clean energy and more environmentally-conscious business practices.

» Sahay

As the pandemic strengthened its grasp on our world, we developed this loan scheme and believe that it will help our borrowers rebuild their lives. This loan scheme ranges from ₹5,000 - ₹80,000.

» IPay

In the last few years, our Company has been working on developing digital products. This would also help promote digital literacy in the rural and semi-rural areas we work in. As part of our efforts, in 2020, we successfully launched our e-payment system, IPay. This was created to help facilitate digital transactions for our clients. During the lockdown that was announced due to the COVID-19 pandemic, a lot of physical services were made unavailable. Our digital service proved to be particularly useful in this context and allowed our customers to make payments. Our employees rose to this challenge and helped our customers learn about the nuances of this digital tool. Moreover, this tool also helped with our collection of loan repayments.

» Ashray

This is our Company's small loan scheme for long-time borrowers who require financial aid for the renovation purposes of their dwelling units. They may borrow upto ₹30,000 under this scheme for a loan tenure of 1 year. The product has benefitted several of our customers, especially after the occurrence of the Amphan cyclone that had devastated several parts of West Bengal and Orissa.

Product Name	Amount	Tenure	Interest Rate (current quarter)	Processing Fees	Purpose
SARAL	₹10K to ₹70K	Upto 2 years	21.75%	1%	Income Generation
SUVIDHA	₹25K	9 months	21.75%	1%	Income Generation
ASHRAY	₹20K to ₹30K	1 year	21.75%	1%	Home Renovation
SEVA	₹10K to ₹20K	1 year	21.75%	1%	Alternate Energy & WASH

THE JOURNEY SO FAR...

Over the years we have grown steadily and as on March 31, 2021, we were operating through 139 branches spread across 5 States with more than 800 employees. While the microfinance industry has always had to overcome various challenges, the COVID-19 pandemic has helped us make some very important changes in terms of reliance on improved automation and investing in the capacity-building of our employees to help us tackle the challenges that the future may pose. We have also developed and rebranded our products in accordance with the needs of the communities we work with. We realise that our futures will be fraught with more complex challenges and that practices of adaptability will be a continuous process. However, we take pride in the resilience and determination of our customers and employees. Looking back on past instances, our Company has always been very practical in envisioning socio-economic goals and successfully managed to achieve them. We strongly believe that with our dedicated workforce, we will manage to conquer the threats such challenges pose and reach new heights of success in the coming years.

THE ROAD AHEAD…

» Employee Retention

The pandemic has reinstated the importance of our employees in our field of work. They have demonstrated unflinching resilience, determination and adaptability by going way beyond their duties to maintain relationships with our customers so that our business operations are not hampered. We want to strengthen our workforce by retaining our employees who are well-versed with the organisational policy of Jagaran.

» Improving Field Practices

As we recover from the COVID-19 pandemic, it is necessary to further strengthen our alternative modes of operation on the ground. In the coming years, we will attempt to further simplify our collection mechanisms and ensure that these alternative procedures remain effective.

» Increase our Presence

The financial year 2020-21 was fraught with challenges posed by political turmoil, natural calamities and the COVID-19 pandemic. Consequently, we experienced a reduction of our loan portfolio and we did not inaugurate any new branches this year. As we recover from the after-effects of these complex circumstances, we would like to diversify our presence and assist more and more people to rebuild their lives.

» Diversify our Products

The COVID-19 pandemic has reminded us of the importance of adaptability and innovation. As the FY 2020-21 progressed, we introduced variants of our products that were better suited to the needs of our customers. Our employees had to quickly act and help customers familiarise themselves with the changes that our products underwent. In the coming months, we wish to further diversify our products, and find ways to operationalise them in a more convenient manner.

» Promote Digital Literacy

From early on, we realised that digital technology will play an important role in the future. However, accessibility to digital services is a huge challenge for economically disadvantaged families. In the coming years, we wish to continue with our work on promoting digital literacy and work with experts to devise ways to make products more easily accessible in rural and semi-urban areas.

» Develop WASH Infrastructure

Jagaran strongly believes in the dictum 'access to clean water and sanitation for all', which is also the 6th Sustainable Development Goal postulated by the UN. In the coming years, we wish to further strengthen our commitment to this facet of development and promote access to WASH infrastructure among members of socio-economically disadvantaged communities.

CORPORATE GOVERNANCE

The advent of the COVID-19 pandemic brought with itself new challenges. As an organisation, we focused on the capacity-building of our employees and strengthened our internal mechanisms to check financial irregularities and fraudulent activities. In addition to this, we have incorporated a new compliance software to ensure that we comply with the SEBI and RBI compliances and regulations. In light of the COVID-19 pandemic, to maintain government-mandated socialdistancing protocols, we have ensured that all our committee meetings take place using virtual meeting platforms.

» Accreditations

We are delighted to share that the dedication and hard work of our team members and the leadership of our experienced management has earned us the following accreditations for the financial year that ended on March 31, 2021.

Particulars	Rating Agency	Rating / Grading Assigned
Bank Loan Rating	Acuite Rating & Research Ltd.	BBB + (Stable)
MFI Grading	SMERA (SME Rating Agency of India)	M2
CoCA	SMERA (SME Rating Agency of India)	C2
Long-Term Instruments NCD Rating	ICRA	BB + (Stable)

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

As a corporate entity, Jagaran Microfin Pvt. Ltd. in compliance with the prescriptions of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 has dedicated itself to a series of CSR initiatives. Since its inception, the Company has worked towards the empowerment of women which in turn also improved the lives of their family members. The Company primarily works in the field of education, health and curating skill-based employment opportunities for the development of socio-economically disadvantaged communities.

Skill-based Employment & Community Development

A large part of our CSR endeavours at Jagaran involve facilitating employment schemes for women. We organise various skill-based training programmes for women in rural and semi-urban parts of India that will help them find employment in cottage and handloom industries. Moreover, our organisation also organises Social Security Awareness Programs for women in association with authorities working in the Worker's Education department at the Government of India so that they can learn about employment opportunities.

LIVELIHOOD PROGRAMMES

Thousands of women living in rural and semi-urban parts of India are actively engaged in and are large contributors to the cottage and handloom industries of our country. In an attempt to facilitate more participation in such practices, Jagaran organises several Entrepreneurship Development Programmes (EDP) for women and especially our borrowers from time to time. We want to facilitate exposure to such skills as that will allow our borrowers to have better chances at finding employment in handicraft and handloom enterprises. Moreover, we have managed to organise about 28 EDP development training programmes across five states of our operation in the financial year 2020-2021. We have also set up 3-month tailoring programmes for women where they can learn about different fabrics and stitching techniques.

Group Leadership Training Programme

Leadership is an important facet of group activities and brings about a sense of direction, credibility and cooperation among its members. Moreover, a good group leader can impress upon values of unity; understanding and co-operative success upon the members of its group making targets seem more achievable and help strengthen community values. As a Joint-liability microfinance entity, Jagaran is committed to building engagement amongst members of a community to enhance the network of solidarity and support among such underprivileged communities. Jagaran at regular intervals organises training programmes for women so that they can learn about such integrative processes and help the community they live in.

For instance, in the financial year 2020-2021, Jagaran successfully organised Group Leadership Training Programmes across all its branches. Furthermore, because of the pandemic we realised digital transactions would be a necessary mode of operation. We knew how little the community knew about prevalent digital infrastructure and thus organised digital literacy programmes for women. They could then disseminate knowledge about these important skill sets among other members of their community, thereby helping them deal with the necessary digital transition.

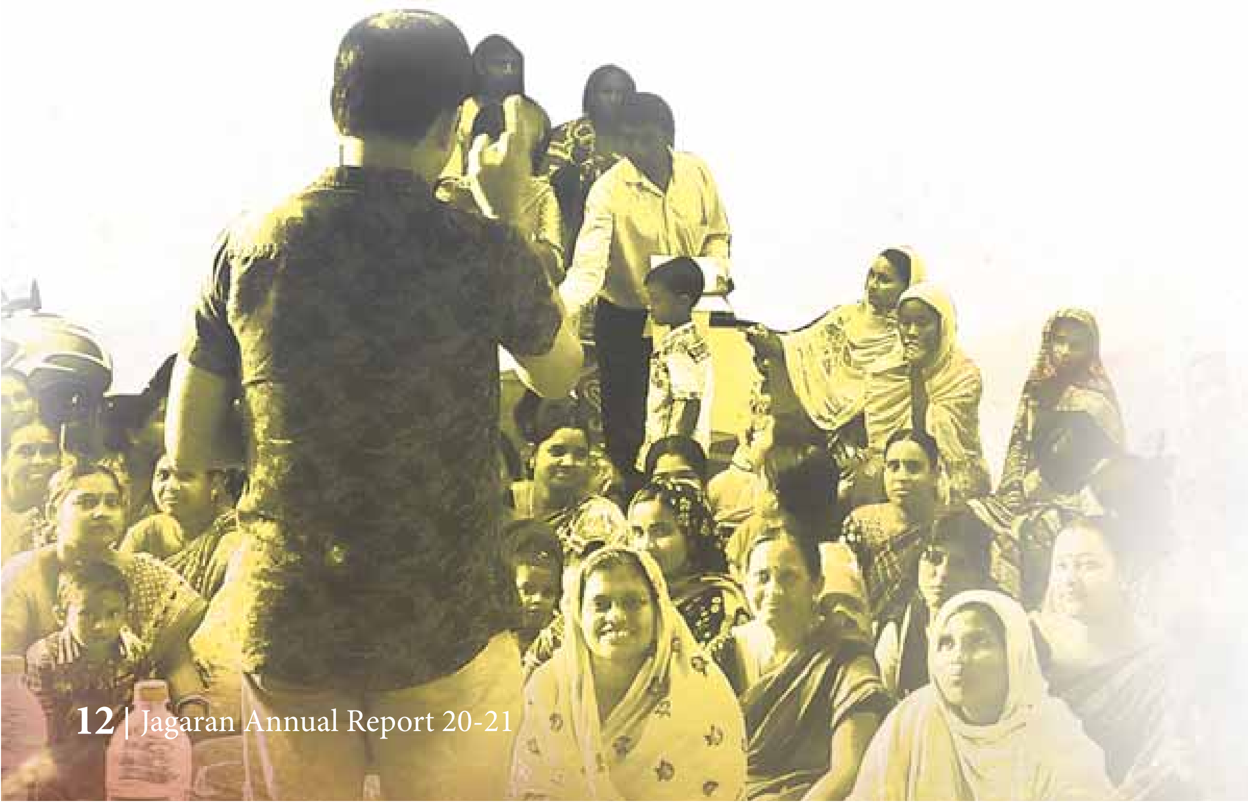
Moreover, to boost the morale of the participants, we organise small felicitation ceremonies for those who have demonstrated remarkable leadership. They are allowed to share their stories and techniques during our training programmes and serve as inspiration to budding future group leaders making this aspect of our operation a collaborative and enriching learning process.

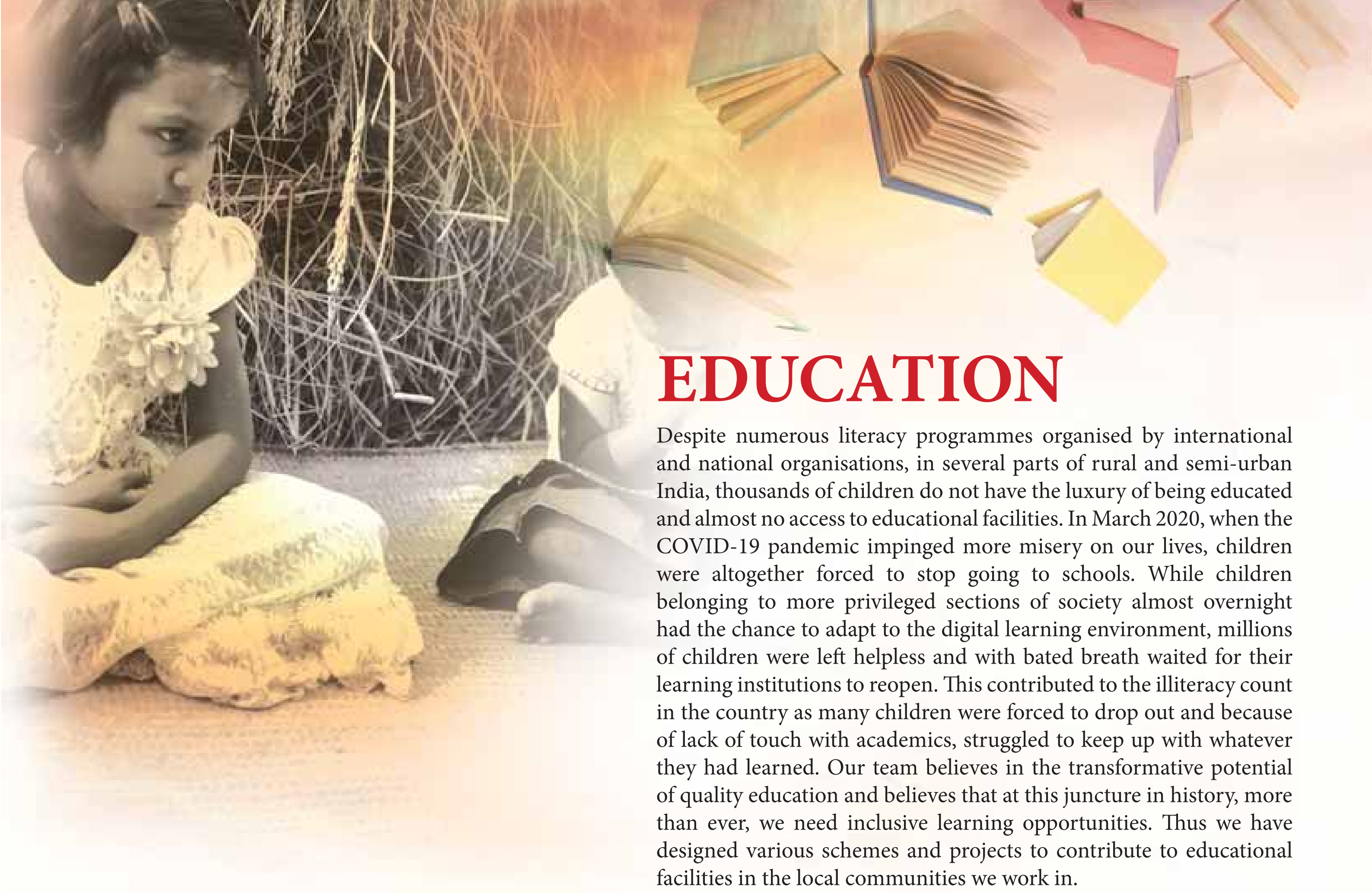
SOCIAL SECURITY PROGRAMMES AND INITIATIVES

In collaboration with officials from the Central Board for Worker's Education, Government of India, the Company has organised programmes and workshops for women from the unorganised labour sector living in both rural and urban areas. These programmes, which primarily took the form of two-day awareness camps, discussed social-security measures and the different opportunities available for women that will help them become self-reliant. With the announcement of nationwide lockdowns, many lost their jobs and such awareness camps gained more importance. It helped enlist women who were in need of economic assistance and allowed them a platform where they could voice their struggles.

Health

As a microfinance entity, Jagaran wishes to facilitate the holistic development of the communities it operates in. Through various conversations and surveys, our field officers have reported that affording healthcare for medical emergencies has been a major financial challenge for our customers. At Jagaran, we pledge to sustain healthy lives and organise awareness campaigns and health camps frequently for the benefit of our rural and semi-urban stakeholders. The rise in the number of infections in the initial months of the pandemic had significantly derailed access to basic healthcare. During such a challenging time, our health camps have come in handy and helped hundreds of people with opportunities for proper diagnosis and garner medical advice.





EDUCATION

Despite numerous literacy programmes organised by international and national organisations, in several parts of rural and semi-urban India, thousands of children do not have the luxury of being educated and almost no access to educational facilities. In March 2020, when the COVID-19 pandemic impinged more misery on our lives, children were altogether forced to stop going to schools. While children belonging to more privileged sections of society almost overnight had the chance to adapt to the digital learning environment, millions of children were left helpless and with bated breath waited for their learning institutions to reopen. This contributed to the illiteracy count in the country as many children were forced to drop out and because of lack of touch with academics, struggled to keep up with whatever they had learned. Our team believes in the transformative potential of quality education and believes that at this juncture in history, more than ever, we need inclusive learning opportunities. Thus we have designed various schemes and projects to contribute to educational facilities in the local communities we work in.

Pre-primary Education

Early childhood education and care for children between the age group of 3-6 years old is a key tenet of the global Education for All (EFA) movement launched by UNESCO in 2015. Experts believe that Pre-primary Educational procedures can keep children from dropping out of formal educational practices by contributing to the development of their cognitive and motor skills and laying down a strong foundation for a child's intellectual growth.

Our organisation is committed to facilitating a pre-primary education and supports twenty pre-primary schools across various districts in rural and semi-urban parts of Bengal, Bihar and Jharkhand. An important facet of education in these schools is community participation in the learning process so that not only children receive free access to early educational facilities but their parents also actively witness and contribute to their child's education. At present, Jagaran supports 600 students below the age of 6 years. Apart from regular lessons, Jagaran organises various hands-on activities and sports competitions for these kids, that makes the idea of school and learning more enjoyable and helps build a spirit of camaraderie among these young learners.

Merit-based Scholarship Programme

Students from the economically disadvantaged sections of society find it difficult to continue financing their education. Jagaran offers financial support and bicycles to meritorious Madhyamik and Higher Secondary students. As part of our initiatives, during the first wave of the COVID-19 pandemic, we provided scholarships to a large number of students - in fact the highest number of scholarship disbursals from Jagaran in the last few years. As our data reveals 350 students have received merit scholarships in the financial year 2020-2021.

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CHAIRMAN'S ADDRESS

Dear Shareholders, Esteemed Colleagues and Partners,

It is my pleasure to present to you the 11th Annual Report of Jagaran Microfin Pvt. Ltd. for the financial year 2020-21. The COVID-19 pandemic brought with it challenges that disrupted the socio-economic lives of millions. Our lives drastically changed - suddenly we had to socially distance and wear masks; our mobility was restricted and work from home became the norm. Additionally, we also faced the Amphan cyclone that almost overnight, destroyed human life in rural areas of West Bengal and Odisha.

As a Microfinance entity, Jagaran mostly deals with women borrowers from socio-economically disadvantaged backgrounds. In its decade-long journey, Jagaran has had to fight numerous challenges. What saw us through these tough times is the adaptability and dedication of our employees and our faith in the resilience of our customers. When the COVID-19 pandemic left our customers in a crisis worst hit, we did not lose hope but quickly realised the journey before us had become just more challenging.

During FY 2020-21, our primary focus was on the capacity-building of our employees who worked round the clock to support our customers and continue the Company operations. We ensured the health and safety of our employees and covered all of them under COVID-19 insurance scheme.

Although the Company reported losses and several accounts were placed under moratorium, the sustained efforts of our 802 employees working in 139 branches across five states and thirty-five districts in India bore results. By the final quarter of the year, we had managed to diversify our sources of funds, improved our disbursement rate and collection of funds while maintaining a healthy Capital Adequacy Ratio of 22.60%.

Jagaran is a socially and environmentally conscious corporate citizen. Its commitment to improving society reflects in its CSR activities and its product offerings. Under the scheme 'Seva', our customers can take loans that range between ₹10,000 and ₹20,000 to develop their access to WASH (Water, Sanitation and Hygiene) facilities. This year Jagaran organised 28 Entrepreneurship Development Programmes in compliance with COVID-19 protocols for women borrowers to develop their skills.

Our organisation also has a strong commitment to promoting education for children. At present, we support 600 children below the age of 6 years. We have also disbursed the largest number of scholarships this year - 350 meritorious Madhyamik and Higher-secondary students have received funding for their higher education.

Despite being a year full of challenges, FY 2020-21 has been a year of lessons that has taught us to appreciate our core values and demonstrated the value of teamwork. We believe our organisational adaptability and resilience will prepare us for more complex challenges from here on.

Best Regards,

Dipankar Chatterji

MD'S MESSAGE

The year that went by wasn't very kind to most of us, either as individuals or as businesses that were impacted. It was a year of uncertainties and apprehensions. There is no denying that lives had been impacted because of the pandemic and the multiple lockdowns that were imposed to contain the spread. As a result of this our performance and profitability has also been adversely affected during this financial year. While the results were not encouraging and we booked losses for the first time, we were happy that no severe incidents were reported amongst our staff and the very few who fell ill, have recuperated and have rejoined the business. I am personally very pleased at the commitment of all our employees, especially our loan officers, who battled hard even in these troubled times.

Among all the negativities that surround us at present, there are certain positive occurrences that we should acknowledge. The variety of COVID-19 vaccines which is slated to be a game changer is being rolled out in huge numbers and people from all sections of the Indian society would be benefiting from this. The government has taken certain steps that will provide the much-needed liquidity to this sector. The agrarian economy upon which we greatly rely, has shown positive growth across the last few quarters. As a result, although quite slowly, the rural economy is on the track of steady recovery. These developments, coupled with a robust vaccination drive, normalcy could be restored sooner than we expect it to be. Our numbers are not the best at present but with a dedicated field staff and an experienced management team, it is only a matter of time before we bounce back.

We want to thank each and every staff member of Jagaran Microfin Pvt. Ltd. for their dedication and determination in these pressing times.We are also grateful for the support extended to us by our lenders during this period. We are confident that with the support of our stakeholders, we will not only succeed in being able to overcome all difficulties that we faced this year but also prepare for future challenges. This year was one in which we witnessed a decline, but in the ones coming we are confident to be back onto the path of growth again.

Best Regards,

Sourav Ghosh

CEO'S MESSAGE

The year we left behind was fraught with unprecedented challenges at a scale that the world had not witnessed in a century. In its wake, the event left behind a trail of destruction on the one hand and ironically, reposed a great responsibility on the other upon those who survived its onslaught. That responsibility was one of infusing hope and re-building all that was broken. The entire humanity came together and the unified force was able to resist, if not repel, the extent of devastation that the pandemic could have caused. While we are not out of the woods yet, the onus of re-building remains, to some extent, on entities like ours, who work with the most disadvantaged. We see that as a privilege.

Within the mayhem, we came out as survivors, thanks to the unity and single-minded focus within all the members of the Jagaran family. The pandemic made us stronger and more resilient and the year was a lesson like no other. The Company's record related to its commitments remained unblemished, employees were treated with utmost care and our customers received the entire slew of benefits which the regulatory announcements provided. Within the turbulence, we managed to stay afloat.

The pledge we have taken is to ease the pain and suffering of the affected masses, to support and nurture those who lost livelihoods and re-build the processes which were designed so painstakingly. We wish to stand out as a beacon of light amongst the darkness. The landscape of microfinance may have changed but our customers remain the same. We shall aspire to serve them with greater empathy to bring back the faith that may have been shaken. The green shoots are visible and the onward march of humanity cannot be stopped. As we move ahead, we will find new opportunities to serve more customers, explore new geographies and sow the seeds of hope in countless more lives.

Best Regards,

Jaydeep Ghosh

BOARD OF DIRECTORS

Mr. Dipankar Chatterji

A Chartered accountant with experience of almost five decades, Mr. Chatterji is a Senior Partner with L.B. Jha and Co., a firm of Chartered Accountants. Mr. Chatterji was the President (Eastern Region) of the Indo-American Chamber of Commerce and the Chairman (Eastern Region) of the Confederation of Indian Industry (CII). Chatterji has served on the Board of Directors of four nationalised banks, a public sector mutual fund and served on various expert committees appointed by the Reserve Bank of India, the Government of India and various State Governments.

Mr. Rana Som

He is 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 organisations to script the turnaround of two public sector giants. He was the architect of Hindustan Copper Limited survival and was instrumental in the massive diversification and growth of National Mineral Development Corporation Limited (NMDC). He has served as the Chairman-cum-Managing Director of Hindustan Copper Limited and National Mineral Development Corporation Limited.

Mr. Sourav Ghosh

Mr. Sourav Ghosh completed his Post Graduate Diploma in Management (Marketing) from Institute of Management Technology, Ghaziabad. He acted as Leisure Markets - Chief Executive Officer in OYO Business, managing Business Development, Sales and Operations. He also worked as Senior Account Manager in Snapdeal handling Sales and Marketing and Key Account Manager in Electronics.

Mr. Jaydeep Ghosh

Mr. Jaydeep Ghosh has over two decades of experience in the BFSI segment. Before taking charge as COO for the 2nd term from August 2018, he has been with Jagaran as COO since inception till December 2015. His previous employers were ICICI Prudential Life Insurance and Axis Bank. Before joining Jagaran, previous employers were ICICI Prudential Life Insurance and Axis Bank. 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.

Mr. Pratip Chaudhuri

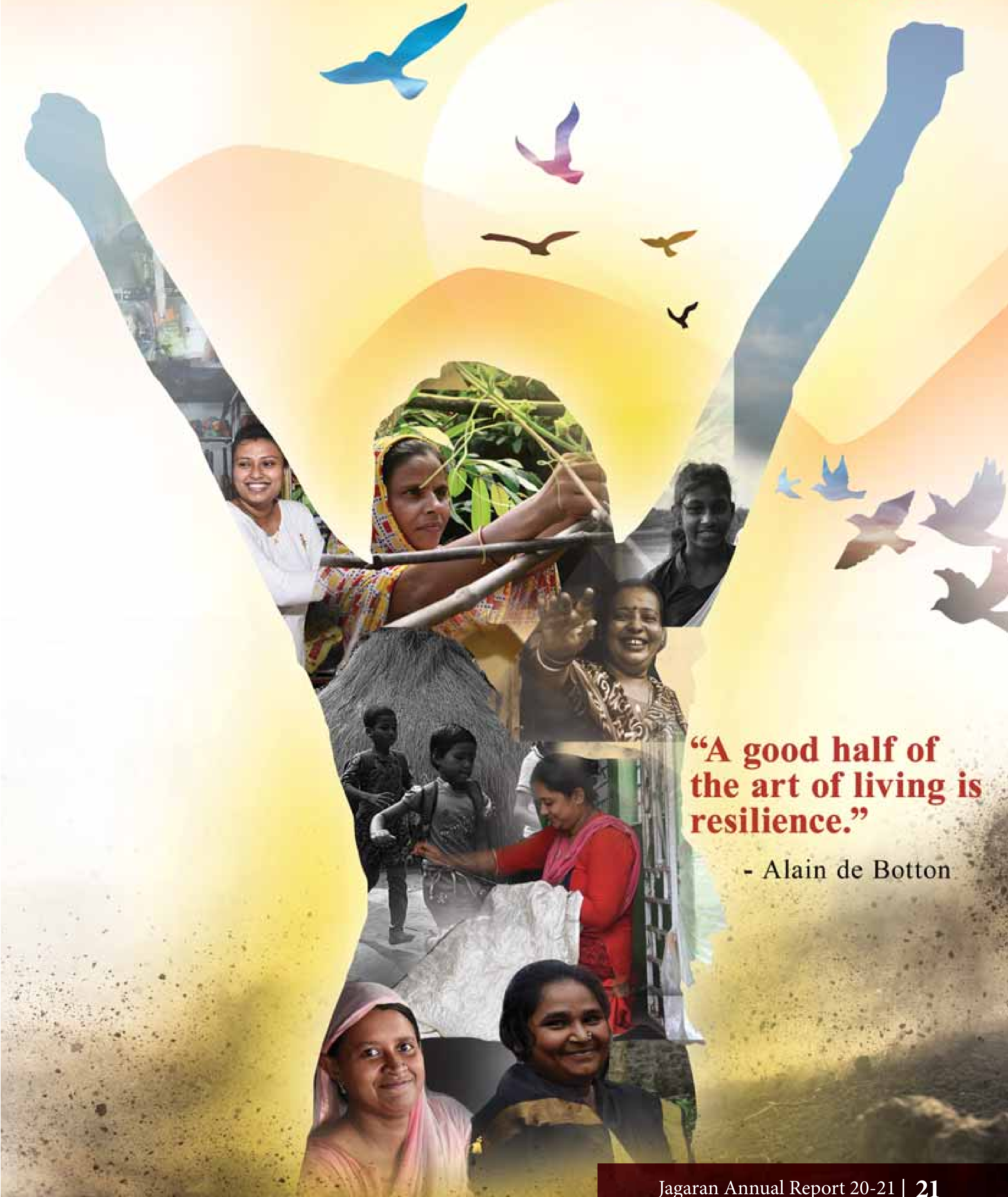
Mr. Chaudhuri was the Chairman of State Bank of India from March 2011 to September 2013 and the Deputy Managing Director (International Banking) of State Bank of India from November 2008 to March 2011. He has held several important positions in SBI including Chief General Manager of Chennai circle. He is also credited with the merger of State Bank of Saurashtra in 2008, where he was a Director. He also serves as Director in Spencer Retail Saurashtra in 2008, where he was a Director. He also serves as Director in Spencer Retail Limited, Sundaram Asset Management Company Limited, The Calcutta Electric Supply Corporation Infrastructure Limited and Kota Electricity Distribution Limited.

Ms. Shanta Ghosh

An Architect and Urban Planner, she is the Chairperson of Development Consultants Urban Planner, she is the Chairperson of Development Consultants Private Limited (DC Group). She is also the Principal Partner of Development Architects Private Limited. She has designed numerous projects in India and abroad. As a student, she earned a Bachelor of Architecture from Jadavpur University in India. She pursued a Master of Architecture with a specialisation in Urban Design at the University of Pennsylvania in the USA. Her career began with The Kuljian Corporation USA in Philadelphia, where she spent an entire decade. She is also the Managing Trustee of the Suresh Amiya Memorial Trust and the President of the Board of Governors, The Economic & Entrepreneurship Development Foundation that runs Sri Aurobindo Seva Kendra.

Ms. Aatreyee Majumder

Ms. Aatreyee Majumder is a Master of Science, Economics and International Financial Economics from the University of Warwick and had worked on many academic projects. She did her Masters in Economics from Calcutta University and is an NSE certified Capital Market professional. She also acted as Facilitator of the Department of Social Work & National Service Scheme (NSS), 2010 - 2013. She is young, energetic & her educational background, as well as her experience with a non-profit organisation in dealing with underprivileged children, shall help the organisation significantly.



“A good half of the art of living is resilience.”

- Alain de Botton

NOTICE OF 11TH ANNUAL GENERAL MEETING

Notice is hereby given that the 11th Annual General Meeting of the shareholders of Jagaran Microfin Private Limited (the 'Company') will be held at a shorter notice on **Friday, October 01, 2021 at 1500 hours** at the registered office of the Company situated at **5th Floor, 38 Hemanta Basu Sarani, Kolkata – 700001** to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the audited Financial Statements of the Company for the year ended March 31, 2021 together with the Auditors' Report and Boards' Report thereon.

2. To appoint of M/s Lodha & Co, Chartered Accountant, as Statutory Auditors of the company to hold office from the conclusion of 11th Annual General Meeting till the conclusion of 14th Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

   To consider, and if thought fit, to pass the following resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s Lodha & Co, Chartered Accountant, be and is hereby appointed as the Statutory Auditors of the Company and to hold the office from the conclusion of 11th AGM till the conclusion of 14th Annual General Meeting of the Company, with respect to the financial years beginning from April 01, 2021 and ending on March 31, 2024, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable goods and services tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit, due to the vacation of office by the existing Statutory Auditor of the Company, M/s Deloitte Haskins and Sells, Chartered Accountant, (Firm Registration No. 302009E) from the end of the forthcoming Annual General Meeting.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf.

   RESOLVED FURTHER THAT Ms. Tanusree Ghosh, Company Secretary of the Company be and is hereby authorised for and on behalf of the Company to file the necessary returns with MCA.

3. To appoint a Director in place of Ms. Aatreyee Majumder, who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.

   Ms. Aatreyee Majumder is not disqualified from being appointed as a director in terms of Section 164 of the Act. She is not related to any director or key managerial personnel of the Company. The Board recommends for consideration and approval of the shareholders.

   To consider, and if thought fit, to pass the following resolution:

   "RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Ms. Aatreyee Majumder, who retires by rotation, be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS

4. To re-appoint Mr. Dipankar Chatterji (DIN: 00031256) as Independent Director and Chairman.

To consider and, if thought fit, pass, with or without modification(s), the following resolution as a

Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of Companies Act, 2013 and the Companies (Appointment of directors and their Qualification) Rules, 2014 SEBI (LODR) Regulations, 2015, as amended from time to time, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Dipankar Chatterji (DIN : 00031256) who was appointed as an "Independent Director and Non-Executive Chairman" of the Company and who holds office of the Independent Director and Chairman upto June 26, 2021 and who is eligible for being re-appointed for a second term as an Independent director and Chairman and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be re-appointed as an "Independent Director and Non-Executive Chairman" of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from June 27, 2021 to June 26, 2026.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

"RESOLVED FURTHER THAT Ms. Tanusree Ghosh, Company Secretary be and is hereby authorised to do the necessary filings with MCA."

5. To appoint Mr. Rana Som (DIN: 00352904) as an Independent Director of the Company.

To consider and, if thought fit, pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Rana Som (DIN: 00352904), who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act signifying his intention to propose Mr. Rana Som's candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from September 27, 2021 to September 26, 2026.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

RESOLVED FURTHER THAT Ms. Tanusree Ghosh, Company Secretary be and is hereby authorised to do the necessary filings with MCA."

6. To increase in remuneration to Mr. Sourav Ghosh, Managing Director (DIN: 08154243).

To consider, and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT subject to the applicable provisions of Section 196, 197 and 203 read with Schedule V to the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, approval of the Company be and is hereby accorded for increase in remuneration of Mr. Sourav Ghosh (DIN: 08154243), Managing Director effective from April 01, 2021.

RESOLVED FURTHER THAT subject to the provisions of Section 197 the Companies Act, 2013 as amended from time and time, the increase in remuneration of Mr. Sourav Ghosh (DIN: 08154243), as detailed in the Explanatory statement is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto.

RESOLVED FURTHER THAT except for the increase in remuneration, all other terms and conditions of appointment, as approved earlier by the members, and which are not dealt with in this resolution, shall remain unaltered.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this Resolution, take such further steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company."

7. To increase in remuneration to Ms. Aatreyee Majumder (DIN: 08363766), Whole-time Director.

To consider, and if thought fit, to pass, the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT subject to the applicable provisions of Section 196, 197 and 203 read with Schedule V to the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, approval of the Company be and is hereby accorded for increase in remuneration of Ms. Aatreyee Majumder (DIN: 08363766), Executive Director effective from April 01, 2021.

RESOLVED FURTHER THAT subject to the provisions of Section 197 the Companies Act, 2013 as amended from time and time, the increase in remuneration of Ms. Aatreyee Majumder (DIN: 08363766), as detailed in the Explanatory statement is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto.

RESOLVED FURTHER THAT except for the increase in remuneration, all other terms and conditions of appointment, as approved earlier by the members, and which are not dealt with in this resolution, shall remain unaltered.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this resolution, take such further steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company."

8. Increase in remuneration to Mr. Jaydeep Ghosh (DIN: 07475085), CEO & Executive Director (KMP).

To consider, and if thought fit, to pass, the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT subject to the applicable provisions of Section 196, 197 and 203 read with Schedule V to the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, approval of the Company be and is hereby accorded for increase in remuneration of Mr. Jaydeep Ghosh (DIN: 07475085), CEO & Executive Director (KMP), effective from April 01, 2021.

"RESOLVED FURTHER THAT subject to the provisions of Section 197 the Companies Act, 2013 as amended from time and time, the increase in remuneration of Mr. Jaydeep Ghosh (DIN: 07475085), as detailed in the Explanatory statement is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto.

"RESOLVED FURTHER THAT except for the increase in remuneration, all other terms and conditions of appointment, as approved earlier by the members, and which are not dealt with in this resolution, shall remain unaltered.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this resolution, take such further steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company."

By order of the Board
For Jagaran Microfin Private Limited

Tanusree Ghosh
Company Secretary

Registered Office:
5th Floor, 38 Hemanta Basu Sarani,
Kolkata - 700001
Dated: September 28, 2021

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.
- The Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special businesses set out in the Notice are annexed.
- Members/proxies/authorised 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.
- As the Annual General Meeting of the Company has been called on a shorter Notice, members of the Company are requested to give their consent in the prescribed format enclosed with the notice and submit the same, to conduct the 11th Annual General Meeting.
- 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.

ANNEXURE TO NOTICE

Explanatory Statement
Pursuant to Section 102 (1) of the Companies Act, 2013 and Secretarial Standard 2 on General Meetings

Item No. 4

Mr. Dipankar Chatterji joined the Board of Directors as Independent Director of the Company on June 27, 2016 for a period of five years, till June 26, 2021 pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, to hold office upto 26.06.2021("first term" as per the explanation to Section 149(10) and 149(11) of the Act.). He was also appointed as Chairman of the Company on June 26, 2020.

The Nomination and Remuneration Committee at its Meeting held on 28.06.2021 after taking into account the performance evaluation of Mr. Dipankar Chatterji, during his first term of five years and considering the knowledge, acumen, expertise and experience and the contribution made by Mr. Dipankar Chatterji has recommended to the Board that continued association of Mr. Dipankar Chatterji as an Independent Director and Chairman would be in the interest of the Company. Based on the above, the Nomination and Remuneration Committee and the Board has recommended the re-appointment of Mr. Dipankar Chatterji as Independent Director and Chairman on the Board of the Company, to hold office for the second term of five consecutive years commencing from June 27, 2021 upto June 26, 2026 and not liable to retire by rotation.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Dipankar Chatterji for his appointment to the office of Independent Director. His brief profile is as under:

A Chartered Accountant with experience of almost five decades, Mr. Chatterji is a Senior Partner with L.B. Jha and Co., a firm of Chartered Accountants. Mr. Chatterji was the President (Eastern Region) of the Indo-American Chamber of Commerce and the Chairman (Eastern Region) of the Confederation of Indian Industry (CII). Mr. Chatterji has served on the Board of Directors of four nationalised banks, a public sector mutual fund and served on various expert committees appointed by the Reserve Bank of India, the Government of India and various State Governments.

Mr. Dipankar Chatterji has given declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Mr. Dipankar Chatterji fulfils the conditions specified in the Act for appointment as an Independent Director.

The Company has also received from Mr. Dipankar Chatterji:

(i) the consent in writing to act as Director and Chairman

(ii) intimation that he is not disqualified under Section 164(2) of the Companies Act, 2013.

A copy of the draft appointment letter Mr. Dipankar Chatterji setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Mr. Dipankar Chatterji (DIN: 00031256) is concerned or interested in the resolution of the accompanying notice relating to his own appointment. None of the directors or key managerial personnel of the Company or their relatives are concerned or interested in the proposed resolution.

The Board commends item no. 5 for consideration and approval of the shareholders.

Item No. 5

The Company received a notice from a Member under Section 160 of the Companies Act, 2013, signifying his intention to propose the candidature of Mr. Rana Som (DIN: 00352904), for the office of Independent Director of the Company.

Mr. Rana Som (DIN: 00352904) was Ex-Chairman and Managing Director of National Mineral Development Corporation Limited and Hindustan Copper Limited. He was a corporate leader who has used his expertise in working for different organisations to script the turnaround of two public sector giants. He was the architect of Hindustan Copper Limited survival and was instrumental in the massive diversification and growth of National Mineral Development Corporation Limited (NMDC). He has served as the Chairman-cum-Managing Director of Hindustan Copper Limited and National Mineral Development Corporation Limited.

In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Mr. Rana Som fulfils the conditions specified in the Act for his appointment as an Independent Director. After taking into consideration the recommendation of the Nomination and Remuneration Committee, the Board is of the opinion that Mr. Rana Som's vast knowledge and varied experience will be of great value to the Company and has recommended the resolution at item no. 5 of this Notice relating to the appointment of Mr. Rana Som as an "Independent Director", not liable to retire by rotation for a period of four consecutive years w.e.f. September 28, 2021 to September 27, 2026, for your approval.

Mr. Rana Som has given declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Mr. Rana Som fulfils the conditions specified in the Act for appointment as an Independent Director.

The Company has also received from Mr. Rana Som:

(i) the consent in writing to act as Director

(ii) intimation that he is not disqualified under Section 164(2) of the Companies Act, 2013.

A copy of the draft appointment letter Mr. Rana Som setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Mr. Rana Som is concerned or interested in the resolution of the accompanying notice relating to his own appointment. None of the directors or key managerial personnel of the Company or their relatives are concerned or interested in the proposed resolution.

The Board commends item no. 5 for consideration and approval of the shareholders.

Item No. 6

Mr. Sourav Ghosh (DIN: 08154243), was appointed as the Managing Director of the Company by the Board at its meeting held on 12.11.2019 for a period of 3 years with effect from 14.11.2019. Further considering his contribution to the Company and as per the recommendation of the Nomination and Remuneration Committee, the Board approved for increase in remuneration of the Managing Director.

Accordingly, the following revision is proposed for Mr. Sourav Ghosh (DIN: 08154243), MD:

- Current Gross Pay: ₹2,82,900/- per month
- Proposed Gross Pay: ₹3,06,604./- per month and

The above revisions to pay will be effective for the year 2021-22 and continue till the end of this Financial Year.

None of the directors or key managerial personnel of the Company or their relatives are concerned or interested in the proposed resolution.

The Board recommends item no. 6 for consideration and approval of the shareholders.

Item No. 7

Ms. Aatreyee Majumder (DIN: 08363766), joined the Board of the Company as a Whole-time Director on 14.11.2019 for a period of 3 years vide Board meeting held on 12.11.2019. Further considering her contribution to the Company and as per the recommendation of the Nomination and Remuneration Committee, the Board approved for increase in remuneration of the Director. Accordingly, the following revision is proposed for Ms. Aatreyee Majumder (DIN: 08363766):

- Current Gross Pay: ₹2,59,400/- per month
- Proposed Gross Pay: ₹2,82,900/- per month and

The above revisions to pay will be effective for the year 2021-22 and continue till the end of this Financial Year.

None of the directors or key managerial personnel of the Company or their relatives are concerned or interested in the proposed resolution.

The Board recommends item no. 7 for consideration and approval of the shareholders.

Item No. 8

Mr. Jaydeep Ghosh (DIN: 07475085), CEO & Whole-time Director (KMP), with over two decades of experience in the BFSI segment, was appointed as the Whole-time Director of the Company by the Board at its meeting held on 12.11.2019 for a period of 3 years effective from 14.11.2019. His continuous efforts have helped in increasing new customers and new products for the Company.

Keeping in view the above and as per the recommendation of the Nomination and Remuneration Committee, the Board approved for increase in remuneration of the CEO & Whole-time Director. Accordingly, the following revision is proposed for Mr. Jaydeep Ghosh (DIN: 07475085):

- Current Gross Pay: ₹2,59,400/- per month
- Proposed Gross Pay: ₹2,82,900/- per month and

The above revisions to pay will be effective for the year 2021-22 and continue till the end of this Financial Year.

None of the directors or key managerial personnel of the Company or their relatives are concerned or interested in the proposed resolution.

The Board recommends item no. 8 for consideration and approval of the shareholders.

By order of the Board
For Jagaran Microfin Private Limited

(Tanusree Ghosh)
Company Secretary

Dated: September 28, 2021

BOARD REPORT TO MEMBERS

FOR THE YEAR ENDED ON 31ST MARCH 2021

Dear Members,

The Board of Directors have the pleasure of presenting the 11th Annual Report on the business and operations of the Jagaran Microfin Private Limited, along with the audited financial statements, for the financial year that ended on 31 March, 2021.

The year 2020-21 was fraught with complex challenges. The COVID-19 pandemic that slowly crept into our lives since March 2020 changed the way we function, confining the fortunate to their homes and masks while leaving millions in deplorable conditions. These unfortunate people, mainly daily wage labourers had to suddenly cope with unemployment as physical spaces closed down and they grew more susceptible to this perilous infection in their crowded lodgings where wearing masks and social distancing were not feasible. Furthermore, a major section of the Indian population lives in rural areas. As national schemes of lockdowns were announced, disenfranchised migrant workers returned to their villages and struggled to re-integrate into the agrarian sector, faced ostracisation from fellow villagers as they could be potential spreaders of the deadly virus and descended into abject poverty. This burdened the agricultural sector, led to a fall in the producer price of crops and farm wages. The more fortunate could afford to hoard resources that led to price inflation, leaving the less fortunate miserable and worst affected. They were left anchorless without access to proper resources and social security. People from socio-economically disadvantaged backgrounds happen to be the primary stakeholders of the microfinance sector in India. The pandemic had thus, adversely impacted the microfinance sector, increasing its downside risks, affecting loan repayment and cash flows. In addition to this, parts of West Bengal and Odisha also were devastated by the Amphan cyclone, which further escalated livelihood challenges in these regions.

At Jagaran, we have always remained patient, resilient and determined when tackling unprecedented crises. On a war footing, we modified our modes of operation and went the extra mile to adjust to the new normal. The livelihoods of thousands of our customers had been put on hold, affecting their loan repayment ability. We offered all our customers the benefit of moratorium. We took these struggles in our stride, and our employers adapted to these new circumstances seamlessly, managed to retain customers and continued with Company operations. Moreover, as the year progressed, our disbursement rates and collection of funds improved in the final quarter of the year. We focused on the capacity-building of our employees and worked our best to strengthen the morale of our customers, who had to rebuild their lives after coping with the severe adversities.

1. FINANCIAL & OPERATIONAL HIGHLIGHTS OF THE COMPANY

The financial performance of the Company is summarized below:

Financial Results **(All amounts in ₹)**

Particulars	FY 2020-21	FY 2019-20
Profit before Tax Depreciation & Provision	23,75,70,236	24,10,14,530
Less: Depreciation	49,89,754	48,56,527
Provision as per RBI norms	29,99,98,136	4,53,85,422
Profit/(Loss) before Tax	**(6,74,17,654)**	**19,07,72,581**
Less: Provision for Taxation		
Current Tax	5,44,23,910	5,76,38,648
Deferred Tax	(7,27,57,820)	(1,55,08,611)
Profit/(Loss) after Tax	**(4,90,83,744)**	**14,86,42,544**
Other Comprehensive Income adjustments	5,42,407	(14,46,137)
Profit/(Loss) transferred to Reserve	**(4,85,41,337)**	**14,71,96,046**
Profit Brought forward	30,59,41,579	25,13,98,046
Amount available for Appropriation	25,79,42,650	40,00,40,590
Appropriations		
Transfer to Statutory Reserve	-	2,97,28,509
Dividend Paid	3,86,36,960	5,21,95,440
Corporate Dividend Tax	-	1,07,28,924
Balance Carried to Balance Sheet	21,87,63,282	30,59,41,579

The operational highlights for the FY 2020-21 is summarized in the following table:

Particulars	FY 2020-21	FY 2019-20
Number of branches	139	139
Number of borrowers	1,80,620	2,32,233
Number of employees	802	786
Number of states	5	5
Number of districts	38	38
Number of villages	3,861	3,832
Amount disbursed (Crore)	269.10	692.24
Gross Portfolio outstanding (Crore)	357.59	465.50

2. DIVIDEND

The Directors of your Company after considering the relevant circumstances comprehensively, have decided that it would be prudent not to recommend any dividend for the FY 2020-21.

3. AMOUNT TRANSFERRED TO STATUTORY RESERVES

During the year under review the Company have incurred losses and accordingly no amount has been transferred to Statutory Reserve as required (20% of Profit after tax) under Section 45-IC of RBI Act, 1934.

4. GRADING AND CREDIT RATING

The Company's financial prudence and discipline is reflected in the credit ratings attributed to the Company for the financial year that ended on March 31, 2021 by rating agencies.

GRADE/RATING ATTRIBUTED TO JAGARAN MICROFIN PVT. LTD.	RATING AGENCY
M2C2	SMERA, widely known as the SME Rating Agency of India, has assigned this M2C@ grading, which happens to be the second highest grading on the eight-point evaluating scale. The rating was awarded via a letter dated 11-01-2021.
BB+ (Stable)	This grading has been assigned by ICRA for Long Term Instruments-NCD to the tune of ₹77.00 Crore.
BBB+	Your Company has been assigned this rating by Acuité Ratings & Research Limited on Bank Loans of ₹400.00 Crore during the FY 2020-21.

5. CAPITAL ADEQUACY

The Company maintained a healthy Capital Adequacy Ratio (CRAR) of 22.60%, as accounted on March 31, 2021. The minimum capital adequacy requirements by RBI is 15%.

6. RESOURCE MOBILISATION

TERM LOAN

During the year under review, the Company raised a sum of ₹111.50 Crore by way of short-term, long-term loans.

7. THE COMPANY'S WORKING DURING THE YEAR

The Company is registered with the Reserve Bank of India as Non-deposit accepting NBFC-MFI vide Registration No. B.05.00998 that was granted on 27th September, 2013. The Company achieved 1,78,613 active loan clients as of March 31, 2021. This was made possible because of the sustained and sincere efforts of the 802 employees of the Company who have been working in 139 branches, spread across 5 states and 38 districts in India. During the year under review, the Company has not opened any new branches.

8. CHANGE IN NATURE OF BUSINESS

There has been no change in the nature of business of the Company. Jagaran Microfin Private Limited continues to lend to women in semi urban and rural areas through the JLG model only.

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

From the end of the financial year of the Company to which the financial statements relate till the date of the report, no material changes in the nature of business or commitments have taken place which can affect the financial position of the Company.

10. SHARE CAPITAL - RAISING OF FUNDS/INFUSION OF EQUITY CAPITAL

A. **ISSUE OF EQUITY SHARES -** No equity shares were issued during the FY 2020-21.

B. **NON-CONVERTIBLE DEBENTURES -** The Company has not issued any Non-Convertible Debentures on a private placement basis as on 31.03.2021.

11. DETAILS OF RELATED PARTY TRANSACTION

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

12. 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 that:

a) in the preparation of the annual accounts for the year ended on March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2021 and of the profit of the Company for the year ended on that date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a 'going concern' basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

13. DETAILS OF SUBSIDIARY, ASSOCIATE AND JOINT VENTURE OF THE COMPANY

The Company doesn't have any subsidiary, associate and joint venture during the period under review.

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

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31, 2021, the Board consists of 9 members, which includes three Executive Directors, five Independent Directors, and one Non-Executive Nominee Director. The Chairman of the Company is an Independent Director, in terms of the relevant provisions of the Companies Act, 2013. The Board periodically evaluates the need for change in its composition and size.

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of a director and 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 decided 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 the Company successfully;

b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c. Remuneration to executive directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

15. AUDITORS

i. Statutory Auditors – M/s Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration Number – 302009E), Chartered Accountants were re-appointed as statutory auditors of the Company in the Annual General Meeting held on September 29, 2020. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 to carry out the audit for the FY 2020-2021.

ii. Secretarial Auditors – M/s Abhijit Majumder & Associates, Practicing Company Secretary is appointed as Secretarial Auditor of the Company to conduct Secretarial Audit of the Company for the Financial Year 2020-21 as required under Section 204 of the Companies Act, 2013 and the rule made thereunder.

iii. Cost Auditors – The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 and accordingly such records are not made and maintained.

There are no qualifications, reservation or adverse remark made by the Statutory Auditors in their report, save and except disclaimer made by them in discharge of their professional obligations.

16. DETAILS OF FRAUDS REPORTED BY THE AUDITORS

During the year under review, the Auditors of the Company have not reported any fraud as required under Section 143(12) of the Companies Act, 2013.

17. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively.

18. DEPOSITS

The Company is a non-deposit taking NBFC-MFI and has not received or accepted any deposit and has maintained its Non-acceptance of Public Deposit NBFC status. The financials do not contain any figures that come under the definition of deposits as specified under Chapter V of Companies Act, 2013.

19. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186

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

20. 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. However, there was an Emphasis of Matter as mentioned in Auditor's Report about the potential impact of the COVID-19 pandemic.

21. 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, with the increased use of digital technologies in the midst of the pandemic, it has used IT services extensively. The Company had no foreign exchange earnings and did not have any foreign outgo during the FY 2020-21.

22. 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 the Company which would impact the going concern status of the Company and its future operations. Thus, its current status and future operations appear to remain unaffected as on 31-03-2021.

23. 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 the Company has laid down measures for internal financial controls and ensures that the measures are adequate and operating effectively. The Company ensures through such measures that all relevant policies and procedures are adopted for the conduct of its business. This includes maintaining adherence to the Company's policy, regulating its assets, the prevention and detection of fraud and error, and also maintaining the accuracy of the accounting records. We also attempt to ensure the timely preparation of reliable financial information.

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

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

The Company has adopted a Whistle Blower policy which is periodically reviewed. The main aim of the policy is to encourage employees and directors to make good faith reports of suspected fraud, corruption. The Company has an established 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 policy. It also provides for adequate safeguards against victimisation of directors, employees, borrowers and investors who avail of the mechanism. The vigil mechanism was duly incorporated in the policy which serves as a guide for daily business interactions, reflecting your Company's standard for appropriate behaviour and Corporate Values.

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

Your Company has in place an Internal Complaints Committee (ICC) 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, temporary) are covered according to the requirement of the Act. During the year under review, no complaints had been received. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment.

26. RISK MANAGEMENT

Risk is an integral part of the Company's business, and sound risk management is critical to the success of the organisation. The Board of Directors of the Company have formed a Risk Management and Asset Liability Management Committee, primarily consisting of independent Directors, to frame, implement, and monitor the risk management plan for the Company. The Board of the Company has adopted the Risk Management Policy based on the recommendation of the Risk Management and Asset Liability Management Committee in order to assess, monitor and manage risk throughout the Company. The committee is responsible for reviewing the Risk Management Policy, ensuring its effectiveness and also verifying its adherence to various risk parameters.

The Company's approach to risk management is based on clear understanding of various risks, disciplined risk assessment and continuous monitoring. The Risk Management and Asset Liability 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 development and implementation of the Risk Management Policy has been covered in the Management Discussion and Analysis in **"ANNEXURE 1"**, which is a part of this report.

27. INFORMATION TECHNOLOGY

Your Company is 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 obtained from third party providers. Furthermore, Board meetings and Committee meetings were held during the year under review through virtual meeting platforms.

28. PARTICIPATION IN CREDIT BUREAU

In order to address the issues of multiple lending or over indebtedness and also to know the credit history of the customers prior to sanction of any loans, the Company continues to be a member with all the credit bureaus namely High Mark Credit Information Services Pvt. Ltd., Equifax Credit Information Services Pvt. Ltd., Experian and Transunion CIBIL Limited.

29. RBI GUIDELINES & SRO

The Company is registered with the Reserve Bank of India as a NBFC-MFI within the provisions of the NBFC (Reserve Bank of India) Directions, 1998. The Company continues to comply with all the requirements prescribed by the Reserve Bank of India as applicable to it. As per Non-Banking Finance Companies RBI Directions, 1998, the Directors hereby report that the Company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year. The Company being the member of MFIN, follows the Code of Conduct as prescribed by the SRO. The Company also complies with the standards and rules as prescribed by the above SRO from time to time.

30. CORPORATE GOVERNANCE

The Company strives to adopt and adhere to the highest standards of Corporate Governance principles and best practices. With this objective the 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. This Company has a Board with independent members who have extensive experience in the field of economics and social development. The Company has formed various Committees in tune with its emphasis on governance. The Board & other Sub-committee of Board ensures the high standards of transparency and accountability in all its activities. The best management practices and a high level of integrity in decision making are followed to ensure long term creation of value for all the stakeholders. The Company ensures the implementation of good corporate governance on which management decisions are based. All functions of the Company are discharged in a professionally sound, competent and transparent manner.

31. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms. Aatreyee Majumder (DIN: 08363766) being Whole-time Director retire by rotation in terms of Section 152 of the Companies Act, 2013 and being eligible offered for re-appointment as Director of the Company. Declaration under Section 164 (2) of the Companies Act, 2013 had been received stating she was not disqualified from being appointed as the Director.

During the year, Mr. Jaydeep Ghosh, CEO & Whole-time Director, Mr. Tirtha Pratim Sahu, Chief Financial Officer, and Ms. Tanusree Ghosh, Company Secretary are the Key Managerial ("KMP") of the Company under Companies Act, 2013.

CHANGES IN THE COMPOSITION OF BOARD OF DIRECTOR

- Mr. Dipankar Chatterji was appointed as Chairman of the Company on June 26, 2020.
- Mr. Dipankar Chatterji, has been re-appointed as an Independent Director of the Company, to hold office for a second term of five consecutive year commencing from June 27, 2021 to June 26, 2026 and also as Non-executive Independent Chairman of the Company.
- Dr. Samir Kumar Barua and Mr. Sandip Ghose, Independent Directors, decided to resign from the Board of Directors of the Company with effect from 14.07.2021 and 15.07.2021 respectively.

32. **DECLARATION OF INDEPENDENCE**

The Company has received declarations from all Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

33. **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

The Board of your Company held 5 meetings during the year under review on 30.04.2020, 29.07.2020, 28.08.2020, 13.11.2020 and 10.03.2021.

34. **COMMITTEE DETAILS**

The Company has 6 committees which govern and oversee different areas of the Company's operations and ensure regular monitoring of their functions. The details of the composition of the Committees of the Board of Directors along with number of times met during the year are stated below:

AUDIT COMMITTEE

Sl. No.	Name	Category	Status
1.	Mr. Rana Som	Independent Director	Chairman
2.	Mr. Dipankar Chatterji	Independent Director	Member
3.	Mr. Pratip Chaudhuri	Independent Director	Member
4.	Ms. Shanta Ghosh	Independent Director	Member

During the year the Audit Committee had met 4 times on 29.07.2020, 13.11.2020, 10.02.2021 and 31.03.2021.

EXECUTIVE COMMITTEE

Sl. No.	Name	Category	Status
1.	Mr. Jaydeep Ghosh	Whole-time Director	Chairman
2.	Mr. Sourav Ghosh	Whole-time Director	Member
3.	Ms. Aatreyee Majumder	Whole-time Director	Member

The Executive Committee met 8 times on 10.04.2020, 15.06.2020, 25.06.2020, 24.07.2020, 23.12.2020, 07.10.2020, 17.02.2021 and 18.03.2021.

NOMINATION & REMUNERATION COMMITTEE

Sl. No.	Name	Category	Status
1.	Mr. Pratip Chaudhuri	Independent Director	Chairman
2.	Mr. Dipankar Chatterji	Independent Director	Member
3.	Mr. Rana Som	Independent Director	Member

During the year under review the Nomination and Remuneration Committee met twice on 26.06.2020 and 10.02.2021.

IT STRATEGY COMMITTEE

Sl. No.	Name	Category	Status
1.	Ms. Shanta Ghosh	Independent Director	Chairperson
2.	Mr. Rana Som	Independent Director	Member
3	Mr. Dipankar Chatterji	Independent Director	Member
4.	Mr. Jaydeep Ghosh	Whole-time Director	Member
5.	Mr. Sourav Ghosh	Whole-time Director	Member
6.	Mr. Pratip Chaudhuri	Independent Director	Member

During the year under review the Committee met on 28.08.2020.

CSR COMMITTEE

Sl. No.	Name	Category	Status
1.	Dr. Rana Som	Independent Director	Chairman
2.	Mr. Sourav Ghosh	Whole-time Director	Member
3.	Mr. Jaydeep Ghosh	Whole-time Director	Member
4.	Ms. Shanta Ghosh	Independent Director	Member

During the year the Committee met on 28.08.2020.

RISK MANAGEMENT AND ASSET LIABILITY MANAGEMENT COMMITTEE

Sl. No.	Name	Category	Status
1.	Mr. Pratip Chaudhuri	Independent Director	Chairman
2.	Mr. Dipankar Chatterji	Independent Director	Member
3.	Mr. Rana Som	Independent Director	Member

During the year the Committee met on 27.03.2021.

35. 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 forms part of this Director's report and annexed as **Annexure 2**.

36. DISCLOSURE OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Remuneration paid to Whole-time Directors (includes 2 Whole-time Directors and the Managing Director) during the year under review was ₹96,20,400/-.

The Non-executive and independent Directors do not have any pecuniary relationship with the Company. They do not receive any remuneration except the applicable sitting fee(s).

The total amount of Sitting Fees paid during FY 2020-21 is ₹20,11,050/- (This amount includes the charges for the Meetings of the Board of Directors and the Committee of Directors).

37. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has always behaved in a socially responsible manner by efficiently evaluating and addressing the growing needs of the communities in which it operates. The Company believes in making lasting impact and envisions to help create a just, equitable, humane and sustainable society. Jagaran, in compliance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established the Corporate Social Responsibility Committee (CSR Committee) and the composition and the function thereof is mentioned in "**ANNEXURE 3**" of the Board's Report. The Company has been involved in various social and developmental activities to supplement its efforts of poverty alleviation. These activities complement its main economic activity of empowering underprivileged women through micro credit loans.

The Board adopted the CSR Policy, formulated and recommended by the CSR Committee, and the same is available on the Company's website.

During the year, as per the budget the Company spent on various programmes and activities. The details of the CSR activities undertaken during the year are given in the report on Corporate Social Responsibility activities which is annexed as "**ANNEXURE 3**" of the Board's Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

ACKNOWLEDGEMENT

Your Directors express their sincere appreciation of the co-operation and assistance received from customers, Reserve Bank of India, MFIN, Sa-Dhan, shareholders and other stakeholders and various service agencies for their support during the year under review. The Directors also thank the employees, managers, executives and customer service representatives for their contribution to the Company's operations and performance during the period. Finally, your Directors take this opportunity to express their appreciation and extend their gratitude for the continued support co-operation and guidance received from all the Banks and Financial Institutions.

For and on behalf of the Board of Directors

Dipankar Chatterji
Chairman

Place: Kolkata
Date: September 10, 2021

Annexure -1

REPORT ON MANAGEMENT DISCUSSION

INDUSTRY STRUCTURE AND DEVELOPMENTS

COMPANY OVERVIEW:

During the FY 2020-21, the Company navigated the difficult circumstances caused by the COVID-19 pandemic by developing alternative communication and collection methods, re-strategising group models and diversifying our loan offerings to mitigate the difficult circumstances. In spite of the obstacles, the Company was able to continue its operations comfortably, worked hard to retain its customers and employees and also invested in capacity-building to counter the challenges. During the year, organising confidence-building measures for both our employees and customers was one of our key communication objectives. Moreover, we also redesigned our repayment timelines, reduced market-linked interest rates which benefited our clients in such difficult times and helped us retain their trust.

FY 2020-21 FOR JAGARAN MICROFIN PRIVATE LIMITED:

The portfolio of the Company stood at ₹357.60 Crore at the end of the FY 2020-21. The Company achieved the Tier-I Capital of ₹79.65 Crore with a rating of BBB+' by Acuité Ratings & Research on Bank Loans Rating of ₹400 Crore.

COMPANY OUTREACH:

The Company, as on March 31, 2021 was operating through 139 branches spread across 5 States with 802 employees.

FUNDING AND CAPITAL RAISING:

The Company has raised funds of about ₹111.50 Crore through various sources during the FY 2020-21. The net worth of the Company as on March 31, 2021 stood at ₹90.04 Crore while the revenue collected amounted to ₹104.88 Crore.

OPPORTUNITIES AND THREATS

The growth of the Company is subject to opportunities and threats as are applicable to the industry from time to time. The Indian Microfinance sector struggled against the initial shock at the beginning of the year and regained moderate momentum in the second half of the year 2020. Around the same time, our collection rates improved towards the end of September 2020. The impact on livelihoods and earnings streams are expected to remain for a few more quarters. Thereafter, the sector should resume its journey of growth, on the back of higher liquidity and a stable economic outlook.

OUTLOOK

ROADMAP FOR FY 2020-21

During the FY 2020-21, the Company focused on adapting itself to the challenges posed by the COVID-19 pandemic. We focused on identifying new ways to connect with our customers, directed our focus on increasing automation and attempted to improve our data analytics. We also focused on strengthening internal control mechanisms and developing the operational efficiency of our employees. We also envisioned to improve our on-ground services and provide extended support to our customers whose lives have become very difficult because of these challenging circumstances.

RISKS AND CONCERNS

The Company being involved in the business of lending is subject to multiple risks that include Credit risk, Operational risk, Liquidity risk, and Regulatory risk. The Board of the Company is composed of professional directors whose experience in risk management proves to be beneficial. They are extremely well-versed when it comes to understanding the risks specific to the Company. The instituted Risk Management framework of our Company tends to reduce the Company-specific risk quite effectively.

In addition to this, it must be mentioned that the Company has put in adequate checks by complying with the regulations framed by RBI, SEBI and MCA which are applicable to the Company. It also has a dedicated Risk Management department that functions efficiently to mitigate risks. While each department in the Company focuses on activities specific to that area, the Risk Management department operates in conjunction with all other departments. The department utilizes all significant information sourced by the other departments in order to manage Company-specific risks.

Your Company is also regulated by the Reserve Bank of India which has stipulated certain rules that have to be followed by each and every NBFC-MFIs.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control systems of the Company are designed to ensure that all assets of the Company are safeguarded and protected against any loss. These systems also evaluate whether our assets are in line with the nature of our business and the size of operations. The Company has instituted adequate internal financial control mechanisms with reference to the relevant financial statements. These control systems were tested during the year and no reportable material weakness in the operation or the design of systems was observed.

REMARKS ON THE OPERATIONAL PERFORMANCE OF THE COMPANY FOR THE FY 2020-21

Despite our best efforts, there has been a reduction in the loan portfolio operations of the Company during the FY 2020-21. This reduction resulted from the restricted disbursements of new loans due to the adverse situation caused by the COVID-19 pandemic. In such times of transition, our Company focused on developing the efficiency of our collection methods. Our employees took a very individual-centric process and continued collection by paying door-to-door visits and reducing the group following COVID-19 restrictions. We also began interacting and meting out financial advice to our customers through phone calls that made us more approachable. We focused our attention on the timely repayment of our own obligation and strengthening our internal control processes. This year, we have also incorporated a new compliance software to ensure that we adhere to the applicable compliances and regulations. The Company did not open any new branches during the year and its customer count stood at 1,80,620.

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. In such difficult circumstances, we have strived to retain our experienced team, whose leadership and financial expertise over the years helped Jagaran become a resilient and sustainable financial institution as it navigated a plethora of crises. The Company experienced minimum attrition during the year and the number of employees as on March 31, 2021 stood at 802.

During the year, the Company focused on ensuring the health and safety of its employees and covered all its employees under a COVID-19 insurance policy. In light of the COVID-19 pandemic, to maintain government mandated social distancing protocols, we have ensured that all our committee meetings take place using virtual meeting platforms. The Company is happy to state that all employees, who had been affected by COVID-19 during the year, have recovered completely and have resumed normal duties. It is their resilience and extensive hard-work and dedication that has helped us function in such trying times.

For and on behalf of the Board of Directors

Dipankar Chatterji
Chairman

Place: Kolkata
Date: September 10, 2021

Annexure 2

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

For the FY ended on March 31, 2020

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	5th Floor, 38 Hemanta Basu Sarani, Kolkata - 700001 Tel: 033 22650100 Fax: Website: info@jagaranmf.com
vi)	Whether listed Company	Yes listed for NCD with BSE
vii)	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Link Intime India Private Limited 46-C, Jawaharlal Nehru Road, Kankaria Estates, Bhowanipore, Kolkata, West Bengal - 700071 Contact details: 033 22890539

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:

Sl. 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	95.65%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name And Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	GTFS Multi Services Limited 6th Floor, 38 Hemanta Basu Sarani, Kolkata - 700001	U74140WB2003 PLC097206	Holding Company	72.09%	2(87)(ii)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholding	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year %				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) **Indian**		86,80,600	86,80,600	19.96		1,34,80,600	1,34,80,600	27.91%	7.95%
(a) Individual/HUF									
(b) Central Govt									
(c) State Govt(s)									
(d) Bodies Corp.									
(e) Banks/FI		3,48,15,600	3,48,15,600	80.04		3,48,15,600	3,48,15,600	72.09%	7.95%
(f) Any Other….									
Subtotal (A) (1):									
(2) **Foreign**									
(a) NRIs Individuals									
(b) Other Individuals		4,34,96,200	4,34,96,200	100		4,82,96,200	4,82,96,200	100	
(c) Bodies Corp.									
(d) Banks/FI									
(e) Any Other….									
Subtotal (A) (2): Total shareholding of Promoter (A) = (A)(1)+(A)(2)									
B. Public Shareholding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
1. **Institutions**									
(a) Mutual Funds									
(b) Banks/FI									
(c) Central Govt.									
(d) State Govt(s)									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) FIIs									
(h) Foreign Venture Capital Funds									
(2) Other INR (specify)									
Subtotal (B)(1):									
2. **Non-institutions**									
(a) Bodies Corp.									
(i) Indian									
(ii) Overseas									
(b) Individuals									
(i) Individual shareholding holding nominal share capital upto ₹1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh									
Other (specify)									
Subtotal (B)(2):									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDINR & ADINR Grand Total (A+B+C)									
		43496200	43496200			48296200	48296200		

(ii) Shareholding of Promoter

Sl. 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	80.04%	-	3,48,15,600	72.09%	-	7.95%
2.	Individuals	86,80,600	19.96%	-	1,34,80,600	27.91%	-	7.95%

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

Sl. 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	3,48,15,600	72.09%	3,48,15,600	72.09%
2.	Date wise Increase/Decrease in Promoter Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):	-	-	-	-
3.	At the end of the year	3,48,15,600	72.09%	3,48,15,600	72.09%

(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
1.	At the beginning of the year	Nil	Nil	Nil	Nil
2.	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
3.	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
	At the beginning of the year				
1.	Ms. Aatreyee Majumder Director	30,00,000	6.21%	30,00,000	6.21%
2.	Mr. Tirtha Pratim Sahu, CFO - KMP	10,000	0.02%	10,000	0.02%
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):	-	-	-	-
	At the end of the year				
1.	Ms. Aatreyee Majumder, Director	30,00,000	6.21%	30,00,000	6.21%
2.	Mr. Tirtha Pratim Sahu, CFO - KMP	10,000	0.02%	10,000	0.02%

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the FY i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	4,60,04,08,200 7,21,06,671	5,00,00,000 41,802		4,65,04,08,200 7,21,48,473
Total (i+ii+iii)	4,67,25,14,871	5,00,41,802		4,72,25,56,673
Change in Indebtedness during the FY • Addition • Reduction	1,70,08,67,566 (3,29,37,86,730)	85,25,575 (85,24,304)		1,70,93,93,141 (3,30,23,11,034)
Net Change	(1,59,29,19,164)	1271		(1,59,29,17,893)
Indebtedness at the end of the FY i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	3,04,17,14,269 3,78,81,438	5,00,00,000 43,073		3,09,17,14,269 3,79,24,511
Total (i+ii+iii)	3,07,95,95,707	5,00,43,073		3,12,96,38,780

VI. REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particular of Remuneration	Managing Director	Whole-time Director Ms. Aatreyee Majumder	CEO & Whole-time Director Mr. Jaydeep Ghosh	Total Amount (in ₹)
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	33,94,800	31,12,800	31,12,800	96,20,400
2.	Stock Option	Nil	Nil	Nil	
3.	Sweat Equity	Nil	Nil	Nil	
4.	. Commission - as % of profit - other, specify…	Nil	Nil	Nil	
5.	Other, please specify	Nil	Nil	Nil	
	Total				
	Ceiling as per the Act	11% of Net Profit	11% of Net Profit	11% of Net Profit	96,20,400

B. Remuneration to other directors

Sl. No.	Particular of Remuneration	Name of Director (₹50,000/- and ₹15,000/- for 5 Independent Directors and 1 NEDs)	Total Amount
1.	Independent Directors • Fee for attending Board/Committee meetings • Commission • Other, please specify	16,56,800	16,56,800
	Total (1)	16,56,800	16,56,800

Sl. No.	Particular of Remuneration	Name of Director (₹50,000/- and ₹15,000/- for 5 Independent Directors and 1 NEDs)	Total Amount
2.	Other Non-executive Director • Fee for attending Board/Committee meetings • Commission • Other, please specify	3,54,250	3,54,250
	Total (2)	3,54,250	3,54,250
	Total (B)=(1+2)	20,11,050	20,11,050

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	CFO	CEO	Total
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 Section 17(3) Income-tax Act, 1961	5,00,000	(**)	14,00,000	19,00,000
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - other, specify…				
5.	Other, please specify	Nil	Nil	Nil	Nil
	Total	-	-	14,00,000	19,00,000

(**) The salary of CFO appointed on January 01, 2016 is borne by holding Company, GTFS Multi Services Limited.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give details)
A. COMPANY					
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTOINR					
Penalty					
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICEINR IN DEFAULT					
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: September 10, 2021

Annexure -3

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

A BRIEF OUTLINE OF THE 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 Companies (Corporate Social Responsibility Policy) Rules 2014. These governmental prescriptions allow companies to practice corporate citizenship and work towards social responsibilities. Since its inception, Jagaran Microfin Private Limited has demonstrated acute awareness towards social circumstances and committed itself to the economic empowerment of women. Social scientists and economists have identified that lack of stable income and financial independence has greatly contributed to gender inequality that has resulted in the disenfranchisement of women.

In the last few years, Jagaran through various ventures has facilitated the economic empowerment of several women and their families from rural and semi-urban parts of West Bengal, Bihar and Orissa. This has helped them earn a stable livelihood, support their families and improve the broader community life of the spaces they inhabit. To ensure the socio-economic development of the local communities we work with, Jagaran Microfin Private Limited has introduced various Corporate Social Responsibility (CSR) initiatives and will continue to do more in future.

As a socially responsible and environment conscious corporate citizen, Jagaran 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 associated training programmes
- Facilitate the development of environment-friendly community practices

The ever-growing trajectory of our CSR activities demonstrates our sustained commitment to the social causes we work towards and we always aim for the successful completion of all the projects we undertake. Jagaran is driven to maintain the highest standards of corporate behaviour towards its investors, stakeholders, and employees.

ORGANISATION SETUP

The Corporate Social Responsibility (CSR) initiatives are formulated under the leadership of the Board's Committee on CSR that involves four directors. The terms of reference for the Committee include:

a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder.

b) To recommend the amount of expenditure that could be incurred on the CSR activities undertaken by the Company.

c) To monitor the implementation of the framework of CSR Policy.

d) To carry out any other function as mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable, necessary or appropriate for performance of its duties.

SCOPE OF ACTIVITIES

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

COMPOSITION OF THE CSR COMMITTEE

The CSR Committee composition:

Sl. No.	Name	Category	Status
1.	Mr. Rana Som	Independent Director	Chairman
2.	Mr. Sourav Ghosh	Whole-time Director	Member
3.	Mr. Jaydeep Ghosh	Whole-time Director	Member
4.	Ms. Shanta Ghosh	Independent Director	Member

DETAILS OF CSR EXPENDITURE DURING THE FY

a) Budgeted amount to be spent for the FY 2020-21 – ₹34,11,098/-

b) Amount Spent: ₹29,61,620/-

c) Amount unused, if any: ₹4,49,478/-

Additionally, the Company has used ₹14,40,915/- from the unutilised CSR funds of the previous year. Out of this amount, ₹2,31,171/- was donated to the Prime Minister's National Relief Fund to comply with the mandated CSR requirements. The remaining ₹12, 09,744/- has been utilised towards financial literacy and digital training programmes.

The status on the CSR expenditure is as under:

Particulars		Amount in ₹
Amount required to be spent during the current year FY 2020-21 as per Co. Act	a	34,11,098
Amount spent during the year out of above requirement for the Current Year	b	29,61,620
Balance Unspent	(a-b)	4,49,478
Amount unspent in previous year	c	14,40,915
Amount expensed out of above due amount of previous year	d	12,09,744
Amount donated to Prime Minister Relief Fund	e	2,31,171
Total amount expensed from previous years' dues	(d+e)	14,40,915
Balance remaining to be spent	(c-d-e)	-
Total CSR expenditure during the year	(b+d+e)	44,02,535

Summary of the CSR Activities undertaken during the year:

Particulars	Amount in ₹
Pre-primary School Room Rent	1,82,000
Pre-primary School Teachers' Salary	3,60,000
Books for Pre-primary School	1,51,719

Pre-primary School Supplies	89,214
Cultural programmes in schools	45,500
Dress for School Children	1,75,000
Merit Scholarship for HS & Secondary Students	11,22,300
Medical Health Camps	2,33,173
Social Security Programmes	23,100
Entrepreneurship Development Programmes	35,770
Skill Development Training	4,32,000
Group Leadership Training and Financial Literacy	12,19,744
Administrative Costs	83,844
Relief Measures for Eventualities	18,000
Donation to Prime Minister's National Relief Fund (PMNRF)	2,31,171
TOTAL	**44,02,535**

For and on behalf of the Board of Directors

Dipankar Chatterji
Chairman

Place: Kolkata
Date: September 10, 2021

LENDERS PROFILE

Jagaran is a cumulative effort and contribution of all our partners who have supported us in every step.

OVERSEAS LENDERS

Blue Orchard Microfinance Fund

Japan ASEAN Women Empowerment Fund

Eclear Leasing & Finance Pvt. Ltd.

Shine Star Build-cap Pvt. Ltd.

MAS Financial Services Limited

Ananya Finance for Inclusive Growth Pvt. Ltd.

IDFC First Bank

Small Industries Development Bank of India

InCred Financial Services Limited

Micro Units Development & Refinance Agency Ltd.

Intellegrow

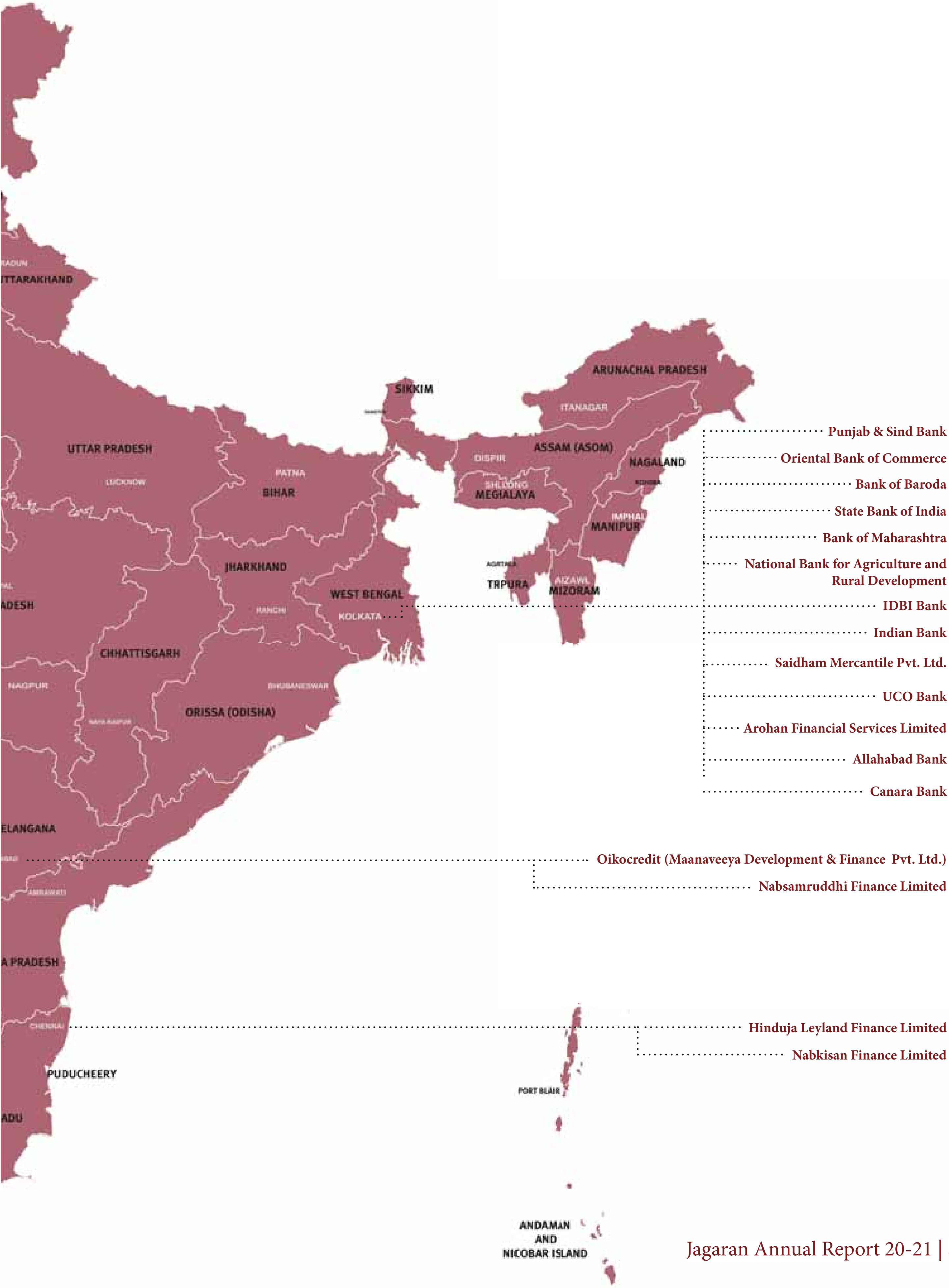
Western Capital Advisors Pvt. Ltd.

Habitat Microbuild India Housing Finance Company Pvt. Ltd.

Electronica Finance Limited

Ujjivan Small Finance Bank

ESAF Small Finance Bank


UTTARAKHAND
SIKKIM
ARUNACHAL PRADESH
ITANAGAR
UTTAR PRADESH
LUCKNOW
PATNA
BIHAR
DISPUR
ASSAM (ASOM)
NAGALAND
KOHIMA
SHILLONG
MEGHALAYA
IMPHAL
MANIPUR
AGARTALA
TRIPURA
AIZAWL
MIZORAM
JHARKHAND
RANCHI
WEST BENGAL
KOLKATA
CHHATTISGARH
NAGPUR
BHUBANESWAR
ORISSA (ODISHA)
TELANGANA
AMRAVATI
CHENNAI
PUDUCHEERY
PORT BLAIR
ANDAMAN
AND
NICOBAR ISLAND
Punjab & Sind Bank
Oriental Bank of Commerce
Bank of Baroda
State Bank of India
Bank of Maharashtra
National Bank for Agriculture and Rural Development
IDBI Bank
Indian Bank
Saidham Mercantile Pvt. Ltd.
UCO Bank
Arohan Financial Services Limited
Allahabad Bank
Canara Bank
Oikocredit (Maanaveeya Development & Finance Pvt. Ltd.)
Nabsamruddhi Finance Limited
Hinduja Leyland Finance Limited
Nabkisan Finance Limited

INDEPENDENT AUDITOR'S REPORT

To 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** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (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 made 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 45 of the financial statements in which the Company describes the continuing uncertainties arising from the COVID-19 pandemic which are dependent on future developments.

Our report is not modified in respect of this matter.

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 of the current period. 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.

Sr. No.	Key Audit Matter	Auditor's Response
1	Expected credit losses (ECL) on loans (Refer Note 7 read with Note 27 to the financial statements) The Management estimates impairment provision using Expected Credit loss (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 default and loss ratios. The impairment loss provision also involves estimate of the potential impact of the COVID-19 pandemic which are dependent on future developments and which are highly uncertain. Collective impairment allowances are calculated using ECL model which approximate credit conditions on homogenous portfolios of loans. The RBI has also announced various relief measures for the borrowers which were implemented by the Company such as "COVID-19 Regulatory Package- Asset Classification and Provisioning" announced by the RBI on 17 April 2020 and RBI circular on "Asset Classification and Income Recognition following the expiry of COVID-19 regulatory package" dated 07 April 2021 (collectively referred to as 'the RBI circulars'), and "Resolution Framework for COVID-19 related Stress" (the 'Resolution Framework') dated on 06 August 2020, which has also been considered by the Management in identification, classification and provisioning of loan assets for impairment. Further, the disclosures made in the financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL involve increased level of audit focus. The aforesaid involves significant Management estimates/judgements and hence identified as Key Audit Matter (KAM).	Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the financial statements were reasonable and the related disclosures in the financial statements made by the Management were adequate. These procedures included, but not limited, to the following: (a) Obtained an understanding of the model adopted by the Company for calculation of expected credit losses including how Management calculated the expected credit losses and the appropriateness of the data on which the calculation is based; (b) Tested the key assumptions used by the Company in the ECL model. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records; (c) Tested samples for staging of loans based on their past - due status to check compliance with requirements of Ind AS 109; (d) Tested the arithmetical calculation of the workings of the expected credit losses; (e) Evaluated the appropriateness, in accordance with the applicable accounting standard and approved policies as per the RBI guidelines, of the determination of significant increase in credit risk on account of moratorium and restructuring benefit extended. On a test check basis, assessed that the restructuring was approved and implemented in accordance with such policy, and the provisions created on such restructured loan assets were in compliance with the aforesaid guidelines; (f) Assessed disclosures included in the Ind AS financial statements in respect of expected credit losses including the specific disclosures made with regard to the Management's evaluation of the uncertainties arising from COVID-19 and its impact on ECL estimation.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our Auditor's 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 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 in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the 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, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management 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 Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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 Auditor's 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 control.
- Obtain an understanding of internal financial 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 the 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 Auditor's 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 Auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- 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 Auditor's 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 Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private Company, Section 197 of the Act related to the managerial remuneration is not applicable.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)
UDIN: 21054785AAAAFR2421

Place: Kolkata
Date: September 10, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Jagaran Microfin Private Limited** (the "Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting 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.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)
UDIN: 21054785AAAAFR2421

Place: Kolkata
Date: September 10, 2021

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular program of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under the provisions of Sections 185 and 186 of the Companies Act, 2013 and hence reporting under Clause (iv) of the CARO 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and it did not have any unclaimed deposits at the beginning of the year. Hence reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company's business/activities, reporting under clause (vi) of the CARO 2016 is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

There are no dues of Income Tax, Sales Tax, Goods & Service Tax, Service Tax and Value Added Tax as on March 31, 2021 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company has not taken any loans or borrowings from government.

(ix) The Company has not raised moneys by way of initial public offer during the year. In our opinion and according to the explanations given to us, money raised by way of further public offer of debt securities and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company is a private Company and hence the provisions of Section 197 of the Companies Act, 2013 do not apply to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) The Company is a private Company and hence the provisions of Section 177 and Section 188 of the Companies Act, 2013 are not applicable to the Company. In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding Company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)
UDIN: 21054785AAAAFR2421

Place: Kolkata
Date: September 10, 2021

JAGARAN MICROFIN PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2021 (All amount in ₹, unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial Assets			
Cash and Cash Equivalents	4	13,21,57,522	26,73,62,459
Bank Balances Other than Cash and Cash Equivalents	5	49,52,13,065	55,99,24,920
Receivables			
(I)Trade Receivables	6	1,46,231	1,15,302
Loans	7	3,20,29,25,821	4,65,50,74,477
Investments	8	-	50,33,593
Other Financial Assets	9	13,84,64,754	19,38,52,842
Non-financial Assets			
Current Tax Assets (Net)	10	57,35,796	53,20,278
Deferred Tax Assets (Net)	11	10,02,38,550	2,76,67,616
Property, Plant and Equipment	12	92,26,717	1,10,19,332
Other Intangible Assets	13	29,48,964	33,96,508
Other Non-financial Assets	14	19,52,808	26,04,100
TOTAL ASSETS		**4,08,90,10,228**	**5,73,13,71,427**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
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	15	3,64,30,682	1,68,53,409
Debt Securities	16	63,09,51,935	80,70,31,446
Borrowings (Other than Debt Securities)	17.1	2,43,04,79,011	3,85,01,49,275
Subordinated Liabilities	17.2	5,00,43,081	5,00,41,802
Non-financial Liabilities			
Current Tax Liabilities (Net)	18	3,39,36,811	73,12,991
Provisions	19	48,56,143	60,73,819
Other Non-financial Liabilities	20	18,05,028	62,22,851
Equity			
Equity Share Capital	21	48,29,62,000	48,29,62,000
Other Equity	22	41,75,45,537	50,47,23,834
TOTAL LIABILITIES AND EQUITY		**4,08,90,10,228**	**5,73,13,71,427**
Summary of Significant Accounting Policies	1		
The accompanying notes are an integral part of these financial statements.	2 to 47		

In terms of our attached report

For Deloitte Haskins & Sells
Chartered Accountants
Firm Registration No. 302009E

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date: September 10, 2021

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

Sourav Ghosh
Managing Director
DIN: 08154243

Jaydeep Ghosh
Whole-time Director & CEO
DIN: 07475085

Tirtha Pratim Sahu
Chief Financial Officer

Tanusree Ghosh
Company Secretary

Place: Kolkata
Date: September 10, 2021

JAGARAN MICROFIN PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021 (All amount in ₹, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from Operations			
Interest Income	23	1,04,84,85,281	1,05,72,80,469
Dividend Income	24	88,995	51,34,094
Total Revenue from Operations		**1,04,85,74,276**	**1,06,24,14,563**
Other Income	25	2,68,377	11,06,668
Total Income		**1,04,88,42,653**	**1,06,35,21,231**
Expenses			
Finance Costs	26	55,85,32,595	57,91,44,628
Impairment on Financial Instruments	27	29,99,98,136	4,53,85,422
Employee Benefits Expenses	28	16,34,08,885	15,31,76,641
Depreciation and Amortisation Expenses	29	49,89,754	48,56,527
Other Expenses	30	8,93,30,937	9,01,85,432
Total Expenses		**1,11,62,60,307**	**87,27,48,650**
Profit/(Loss) before Tax		**(6,74,17,654)**	**19,07,72,581**
Tax Expense			
(a) Current Tax	11.2	5,44,23,910	5,76,38,648
(b) Deferred Tax	11.2	(7,27,57,820)	(1,55,08,611)
		(1,83,33,910)	**4,21,30,037**
Profit/(Loss) for the year		**(4,90,83,744)**	**14,86,42,544**
Other Comprehensive Income:			
(a) Items that will not be reclassified subsequently to Profit or Loss:			
(i) Re-measurements of the Defined Benefit Plans		7,29,293	(19,32,512)
(ii) Income Tax relating to items that will not be reclassified subsequently to Profit or Loss		(1,86,886)	4,86,375
(b) Items that will be reclassified subsequently to Profit or Loss:		-	-
Total Other Comprehensive Income/(Loss) for the year, Net of Tax		**5,42,407**	**(14,46,137)**
Total Comprehensive Income/(Loss) for the year		**(4,85,41,337)**	**14,71,96,407**
Earnings per Equity Share (Face Value of ₹10/- each)			
Basic and Diluted Earnings per Share (₹)	33	(1.01)	3.20
Summary of Significant Accounting Policies	1		
The accompanying notes are an integral part of these financial statements.	2 to 47		

In terms of our attached report

For Deloitte Haskins & Sells
Chartered Accountants
Firm Registration No. 302009E

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date: September 10, 2021

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

Sourav Ghosh
Managing Director
DIN: 08154243

Jaydeep Ghosh
Whole-time Director & CEO
DIN: 07475085

Tirtha Pratim Sahu
Chief Financial Officer

Tanusree Ghosh
Company Secretary

Place: Kolkata
Date: September 10, 2021

JAGARAN MICROFIN PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021 (All amount in ₹, unless otherwise stated)

(A) Equity

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	21	48,29,62,000	43,49,62,000
Changes in Equity Share Capital during the year		-	4,80,00,000
Balance at the end of the year		**48,29,62,000**	**48,29,62,000**

(B) Other Equity

Particulars	Notes	Reserves and Surplus			Total
		Securities Premium	Statutory Reserves	Retained Earnings	
As at April 01, 2019	22	**4,35,13,000**	**8,35,40,746**	**25,13,98,046**	**37,84,51,792**
Profits/(Loss) after Tax for the year		-	-	14,86,42,544	14,86,42,544
Issue of Equity Shares during the year		4,20,00,000	-	-	4,20,00,000
Dividend Paid		-	-	5,21,95,440	5,21,95,440
Dividend Distribution Tax Paid		-	-	1,07,28,925	1,07,28,925
Transferred to Statutory Reserve		-	2,97,28,509	2,97,28,509	-
Other Comprehensive Income/(Loss)		-	-	(14,46,137)	(14,46,137)
As at March 31, 2020	22	**8,55,13,000**	**11,32,69,255**	**30,59,41,579**	**50,47,23,834**
Profits/(Loss) after Tax for the year		-	-	(4,90,83,744)	(4,90,83,744)
Dividend Paid		-	-	3,86,36,960	3,86,36,960
Transferred to Statutory Reserve		-	-	-	-
Other Comprehensive Income/(Loss)		-	-	5,42,407	5,42,407
As at March 31, 2021		**8,55,13,000**	**11,32,69,255**	**21,87,63,282**	**41,75,45,537**
Summary of Significant Accounting Policies	1				
The accompanying notes are an integral part of these financial statements.	2 to 47				

In terms of our attached report

For Deloitte Haskins & Sells
Chartered Accountants
Firm Registration No. 302009E

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date: September 10, 2021

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

Sourav Ghosh
Managing Director
DIN: 08154243

Jaydeep Ghosh
Whole-time Director & CEO
DIN: 07475085

Tirtha Pratim Sahu
Chief Financial Officer

Tanusree Ghosh
Company Secretary

Place: Kolkata
Date: September 10, 2021

JAGARAN MICROFIN PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021 (All amount in ₹, unless otherwise stated)

	PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) Before Tax	(6,74,17,654)	19,07,72,581
	Adjustments for:		
	Depreciation and Amortisation Expenses	49,89,754	48,56,527
	Impairment of Financial Instruments	29,99,98,136	4,53,85,422
	Dividend Income	(88,995)	(51,34,094)
	Interest Income on Deposits	(4,52,86,711)	(4,09,95,756)
	Operating Profit before Working Capital Changes	**19,21,94,530**	**19,48,84,680**
	Adjustment for changes in Operating Assets & Liabilities		
	Adjustments for increase/(decrease) in Operating Assets:		
	Loans	1,15,21,50,521	(78,95,47,035)
	Trade Receivables	(30,929)	13,33,480
	Other Financial Assets	(5,16,463)	(15,38,561)
	Other Non-financial Assets	6,51,292	39,41,257
	Adjustments for increase/(decrease) in Operating Liabilities:		
	Trade Payables	1,95,77,273	(45,44,007)
	Provisions	(4,88,383)	19,67,761
	Other Non-financial Liabilities	(44,17,823)	5,11,424
	Cash generated from/(used in) Operations	**1,35,91,20,018**	**(59,29,91,001)**
	Income Tax Paid	(2,82,15,608)	(5,73,11,847)
	Net Cash from/(used in) Operating Activities	**1,33,09,04,410**	**(65,03,02,848)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets	(27,49,595)	(53,72,455)
	Purchase of Investment in Mutual Fund	(4,01,15,170)	(3,62,26,43,434)
	Sale of Investment in Mutual Fund	4,51,48,756	3,61,76,09,841
	Investment in/Redemption of Deposits with Banks & NBFCs (net)	12,06,16,406	(26,17,40,375)
	Interest Income on Deposits	4,52,86,711	4,09,95,756
	Dividend Income	88,995	51,34,094
	Net cash generated from/(used in) Investing Activities	**16,82,76,103**	**(22,60,16,573)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Dividend Paid	(3,86,36,960)	(5,21,95,440)
	Dividend Distribution Tax Paid	-	(1,07,28,925)
	Issue of Non-Convertible Debentures (NCDs)	-	22,00,00,000
	Issue of Subordinated Liabilities	-	5,00,00,000
	Borrowings from Banks and NBFCs	1,11,50,00,000	3,02,50,00,000
	Repayment of Borrowings to Banks and NBFCs	(2,71,07,48,490)	(2,45,96,62,635)
	Issue of Share Capital	-	9,00,00,000
	Net Cash generated from/(used) in Financing Activities	**(1,63,43,85,450)**	**86,24,13,000**
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	**(13,52,04,937)**	**(1,39,06,421)**
	Add: Cash and Cash equivalents at the beginning of the year **(Refer Note 4)**	**26,73,62,459**	**28,12,68,879**
	Cash and Cash Equivalents at the end of year (Refer Note 4)	**13,21,57,522**	**26,73,62,459**

Additional notes to Cash Flow Statement:
1. Figures in brackets indicate outflows.
2. Previous year figures have been regrouped/restated wherever necessary.

In terms of our attached report

For Deloitte Haskins & Sells
Chartered Accountants
Firm Registration No. 302009E

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date: September 10, 2021

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

Sourav Ghosh
Managing Director
DIN: 08154243

Jaydeep Ghosh
Whole-time Director & CEO
DIN: 07475085

Tirtha Pratim Sahu
Chief Financial Officer

Tanusree Ghosh
Company Secretary

Place: Kolkata
Date: September 10, 2021

JAGARAN MICROFIN PRIVATE LIMITED

Notes to the Financial Statements for the Year ended March 31, 2021

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 organised 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') per read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The financial statements have been prepared on a going concern basis.

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.

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

2.2. Critical Accounting Estimates and Judgements

The preparation of the Company's financial statements requires the 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.:

- Business model assessment (Refer Note No. 3.13)
- Effective Interest Rate (EIR) (Refer Note No. 3.1.1)
- 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)

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

3.1.1 Interest Income

Interest income for all financial instruments measured at amortised cost and is recorded using the effective interest rate (EIR). 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 fee 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.

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

3.1.3 Dividend income is recognised when the right to receive payment is established.

3.1.4 The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on de-recognition of financial asset measured at FVTPL and FVOCI on net basis.

3.2 Finance Cost

Borrowing cost on financial liabilities are recognised 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 capitalised 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 amortisation and accumulated impairment losses, if any.

3.6 Depreciation and amortisation

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 Amortisation

Intangible assets are amortised 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 than the 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. On 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 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 recognised 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 recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised. 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 recognises contribution payable to the respective funds as expenditure, when an employee renders the related service.

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 re-measurements of net benefit liabilities/assets are recognised 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 carry forwarded beyond 12 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 utilised within the next 12 months, is treated as short-term employee benefits. 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 recognised outside the statement profit or loss is recognised 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 recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 utilised.

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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets 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 realised 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 recognised outside the statement profit or loss is recognised 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.

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 recognised 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 recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

3.13.1.2 Classification and Subsequent Measurement

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

- Loans at amortised 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 Amortised Costs

Loans are measured at the amortised 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 amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

3.13.1.4 Investment in Mutual Funds at Amortised Cost

Investments in liquid mutual funds are measured at amortised 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 amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised 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 amortised cost.

3.13.2.2 Borrowings

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

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-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognises 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 recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises 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 de-recognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of de-recognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

3.13.4.2 De-recognition of Financial Liabilities

Financial liability is de-recognised 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 recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3.14 Impairment of Financial Assets

3.14.1 Overview of the Expected Credit Loss (ECL) Allowance Principles

The Company is recording the allowance for expected credit losses for all loans at amortised 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 recognised, the Company recognises 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.

3.14.2 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 37 for explanation of the relevant terms.

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 summarised 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%.

3.15 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.

3.16 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured are categorised with fair value hierachy into Level I, Level II and Level III based on level of input.

3.17 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.

3.18 Foreign Currency

3.18.1 All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

3.18.2 Foreign currency monetary items are reported using the exchange rate prevailing at the close of the period.

3.19 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 recognises 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 recognises 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.

4. Cash and Cash Equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Cash in Hand	64,96,614	6,86,324
Balances with Banks - In Current Accounts	12,56,60,908	26,66,76,135
	13,21,57,522	**26,73,62,459**

5. Bank Balances Other than Cash and Cash Equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks - In Fixed Deposit Accounts*	49,52,13,065	55,99,24,920
(Including accrued interest for fixed deposits)		
	49,52,13,065	**55,99,24,920**

*Fixed Deposits are under lien against borrowings availed by the Company (except Fixed Deposits not under lien as at March 31, 2021: ₹13,88,81,728, March 31, 2020: ₹12,23,32,758).

6. Receivables

Trade Receivables*

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Unsecured Considered Good	1,46,231	1,15,302
Less: Allowance for Impairment Loss Allowance	-	-
	1,46,231	**1,15,302**
(b) Credit Impaired	-	-
Less: Allowance for Impairment Loss Allowance	-	-
	1,46,231	**1,15,302**

*Trade Receivables includes dues in respect of Commission on Business Correspondance (BC) Income

Ageing of Trade Receivables and Credit Risk arising therefrom is as below:

Particulars	As at March 31, 2021		
	Gross Carrying Amount	Allowance for Credit Loss	Net Carrying Amount
Overdue till three months	1,46,231	-	1,46,231
Overdue between three to six months	-	-	-
Overdue between six months to one year	-	-	-
More than 1 year overdue	-	-	-
	1,46,231	**-**	**1,46,231**

Particulars	As at March 31, 2020		
	Gross Carrying Amount	Allowance for Credit Loss	Net Carrying Amount
Overdue till three months	1,15,302	-	1,15,302
Overdue between three to six months	-	-	-
Overdue between six months to one year	-	-	-
More than 1 year overdue	-	-	-
	1,15,302	**-**	**1,15,302**

7. Loans

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, at Amortised Cost		
Term Loans	3,57,59,65,516	4,73,45,61,860
Total (Gross)	**3,57,59,65,516**	**4,73,45,61,860**
Less: Impairment Loss Allowance	37,30,39,695	7,94,87,383
Total (Net)	**3,20,29,25,821**	**4,65,50,74,477**
In India		
Others	3,57,59,65,516	4,73,45,61,860
Less: Impairment Loss Allowance	37,30,39,695	7,94,87,383
Total (Net)	**3,20,29,25,821**	**4,65,50,74,477**

Note 1: The contractual amount outstanding on Financial Assets that were written off during the reporting period and are still subject to enforcement activity as on March 31, 2021 is ₹64,45,824 (Previous year ₹60,05,593).

Note 2: The change in Expected Credit Loss Allowance of the portfolio was driven by an change in the size of the portfolio and movements between age buckets as a result of increase or decrease in credit risk of the receivables.

8. Investments

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in Mutual Fund (Wholly In India) - At Fair Value through Profit and Loss	-	50,33,593
(Units as on March,2021: NIL, March 31, 2020: 4935.766 units of HDFC Liquid Fund)	**-**	**50,33,593**

9. Other Financial Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposit	78,42,159	79,61,160
Term Deposits with Non-Banking Financial Companies*	12,67,72,875	18,26,77,426
Receivables in respect of TDS Amount	29,18,824	29,14,018
Other Advances	9,30,896	3,00,238
	13,84,64,754	**19,38,52,842**
Total	**13,84,64,754**	**19,38,52,842**

*Term deposits are under lien against borrowings.

10. Current Tax Assets (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Income Tax [net of Income Tax Provision of ₹15,03,06,070 (March 31, 2020: ₹9,26,67,420)]	57,35,796	53,20,278
	57,35,796	**53,20,278**

11. Deferred Tax Assets (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Tax Effect on Items constituting Deferred Tax Asset:		
Property, Plant and Equipment and Intangible Assets	4,33,567	1,90,954
Financial Assets at Amortised Cost	64,94,309	1,31,41,773
Provision for Impairment Loss Allowance	9,55,93,660	2,05,82,720
Disallowance under Section 43B of the Income Tax Act, 1961	23,83,316	30,93,483
Total Deferred Tax Assets	**10,49,04,852**	**3,70,08,930**
Tax Effect on Items constituting Deferred Tax Liability:		
Financial Liabilities at Amortised Cost	(46,66,302)	(93,41,314)
Total Deferred Tax Liabilities	**(46,66,302)**	**(93,41,314)**
Deferred Tax Asset (Net)	**10,02,38,550**	**2,76,67,616**

11.1 Movement in Deferred Tax Assets for year ended March 31, 2021

Particulars	As at April 01, 2020	Statement of Profit or Loss	Other Comprehensive Income	As at March 31, 2021
Deferred Tax Assets for Deductible Temporary Differences on:				
Property, Plant and Equipment and Intangible Assets	1,90,954	2,42,613	-	4,33,567
Financial Assets at Amortised Cost	1,31,41,773	(66,47,464)	-	64,94,309
Provision for Impairment Loss Allowance	2,05,82,720	7,50,10,940	-	9,55,93,660
Disallowance under Section 43B of the Income Tax Act, 1961	30,93,483	(5,23,281)	(1,86,886)	23,83,316
Total	**3,70,08,930**	**6,80,82,808**	**(1,86,886)**	**10,49,04,852**
Deferred Tax Liabilities for Taxable Temporary Differences on:				
Financial Liabilities at Amortised Cost	(93,41,314)	46,75,012	-	(46,66,302)
Total	**(93,41,314)**	**46,75,012**	**-**	**(46,66,302)**
Deferred Tax Asset (Net)	**2,76,67,616**	**7,27,57,820**	**(1,86,886)**	**10,02,38,550**

Movement in Deferred Tax Assets for year ended March 31, 2020

Particulars	As at April 01, 2019	Statement of Profit or Loss	Other Comprehensive Income	As at March 31, 2020
Deferred Tax Assets for Deductible Temporary Differences on:				
Financial Assets at Amortised Cost	1,00,67,608	30,74,165	-	1,31,41,773
Provision for Impairment Loss Allowance	79,75,170	1,26,07,550	-	2,05,82,720
Disallowance under Section 43B of the Income Tax Act, 1961	21,14,205	4,92,903	4,86,375	30,93,483
Total	**2,01,56,983**	**1,61,74,618**	**4,86,375**	**3,68,17,976**
Deferred Tax Liabilities for Taxable Temporary Differences on:				
Property, Plant and Equipment and Intangible Assets	(1,60,614)	3,51,568	-	1,90,954
Financial Liabilities at Amortised Cost	(83,23,739)	(10,17,575)	-	(93,41,314)
Total	**(84,84,353)**	**(6,66,007)**	**-**	**(91,50,360)**
Deferred Tax Asset (Net)	**1,16,72,630**	**1,55,08,611**	**4,86,375**	**2,76,67,616**

Note:

Deferred Tax Assets and Deferred Tax Liabilities have been offset wherever the Company has a legally enforceable right to set off Current Tax Assets against Current Tax Liabilities and where the Deferred Tax Assets and Deferred Tax Liabilities relate to Income Taxes levied by the same taxation authority.

11.2 Current Tax and Deferred Tax

Income Tax Expense

Particulars	As at March 31, 2021	As at March 31, 2020
Current Tax	5,44,23,910	5,76,38,648
Deferred Tax Asset (Net)	(7,27,57,820)	(1,55,08,611)
	(1,83,33,910)	**4,21,30,037**

Other Comprehensive Income

Particulars	As at March 31, 2021	As at March 31, 2020
Other Comprehensive Income	(1,86,886)	4,86,375
	(1,86,886)	**4,86,375**

Reconciliation of Book Profit and Tax Expense

Particulars	As at March 31, 2021	As at March 31, 2020
Profit before Tax	(6,74,17,654)	19,07,72,581
Income Tax using the Company's Domestic Tax Rate*	(1,73,21,618)	4,79,94,566
Effect of Income Exempt from Tax/Items Not Deductible	(10,12,289)	(20,73,781)
Effect of Change in Substantially Enacted Tax Rate	-	(37,90,748)
	(1,83,33,910)	**4,21,30,037**

*The Tax Rate used for reconciliations above comprises of Corporate Tax Rate of 22%, applicable Surcharge and Cess, payable by corporate entities in India on taxable profits under the Income Tax Act, 1961.

12. Property, Plant and Equipment

Particulars	Owned Assets				
	Computer	Furniture and Fixtures	Office Equipment	Vehicles	Total
Gross Block					
Balance as at March 31, 2019	**59,40,987**	**38,28,726**	**36,14,324**	**14,46,643**	**1,48,30,680**
Additions	16,14,228	6,64,417	12,82,132	-	35,60,777
Disposal	-	-	-	-	-
Balance as at March 31, 2020	**75,55,215**	**44,93,143**	**48,96,456**	**14,46,643**	**1,83,91,457**
Additions	14,36,431	2,52,295	2,32,930	-	19,21,656
Disposal	25,095	-	-	-	25,095
Balance as at March 31, 2021	**89,66,551**	**47,45,438**	**51,29,386**	**14,46,643**	**2,02,88,018**
Accumulated Depreciation and Impairment					
Balance as at March 31, 2019	**21,25,697**	**4,71,069**	**9,46,271**	**1,15,771**	**36,58,808**
Charge for the year	20,52,513	4,99,281	9,71,301	1,90,222	37,13,317
Disposal/Adjustments	-	-	-	-	-
Balance as at March 31, 2020	**41,78,210**	**9,70,350**	**19,17,572**	**3,05,993**	**73,72,125**
Charge for the year	19,18,238	5,25,940	10,54,776	1,90,222	36,89,176
Disposal/Adjustments	-	-	-	-	-
Balance as at March 31, 2021	**60,96,448**	**14,96,290**	**29,72,348**	**4,96,215**	**1,10,61,301**
Net Block					
Balance as at March 31, 2020	**33,77,005**	**35,22,793**	**29,78,884**	**11,40,650**	**1,10,19,332**
Balance as at March 31, 2021	**28,70,103**	**32,49,148**	**21,57,038**	**9,50,428**	**92,26,717**

13. Other Intangible Assets

Particulars	Owned Assets	
	Computer Software	Total
Gross Block		
Balance as at March 31, 2019	**34,55,717**	**34,55,717**
Additions	18,11,678	18,11,678
Disposal	-	-
Balance as at March 31, 2020	**52,67,395**	**52,67,395**
Additions	8,53,034	8,53,034
Disposal	-	-
Balance as at March 31, 2021	**61,20,429**	**61,20,429**
Accumulated Depreciation and Impairment		
Balance as at March 31, 2019	**7,27,677**	**7,27,677**
Charge for the year	11,43,210	11,43,210
Disposal/Adjustments	-	-
Balance as at March 31, 2020	**18,70,887**	**18,70,887**
Charge for the year	13,00,578	13,00,578
Disposal/Adjustments	-	-
Balance as at March 31, 2021	**31,71,465**	**31,71,465**
Net Block		
Balance as at March 31, 2020	**33,96,508**	**33,96,508**
Balance as at March 31, 2021	**29,48,964**	**29,48,964**

14. Other Non-financial Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Advance to Employees	4,33,065	9,64,039
Prepaid Expenses	7,74,918	8,37,659
Advance to Insurance Companies	6,99,825	7,57,402
Other Advances	45,000	45,000
Total	**19,52,808**	**26,04,100**

15. Payables

(I) Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		
- Employee Payables	1,98,09,505	72,84,095
- Others*	1,66,21,177	95,69,314
	3,64,30,682	**1,68,53,409**

*Includes Insurance Payable for ₹15,21,856/- (March 31, 2020: ₹58,71,655/-).

16. Debt Securities

Particulars	As at March 31, 2021	As at March 31, 2020
At Amortised Cost		
Non-Convertible Debentures - Listed (Secured)*	63,09,51,935	80,70,31,446
	63,09,51,935	**80,70,31,446**
Debt Securities in India	63,09,51,935	80,70,31,446
Debt Securities outside India	-	-
	63,09,51,935	**80,70,31,446**

*Debentures are secured against hypothecation of Book Debts of the Company.

*During the year ended 31 March 2021, the Company has raised ₹NIL (previous year ₹2,200 lakhs through private issue of secured, listed Non-Convertible Debentures which are secured against hypothecation of Book Debts of the Company. The Debentures has tenure of 60 months and carries rate of interest at 13.000% and are redeemable at par in single instalment. The debentures issued during the previous year have a tenure of 48 months carries interest rate of 13.0465%. These debentures further contains both put and call option exercisable on or after twenty four months from the date of the issue).

17.1 Borrowings (other than Debt Securities)

Particulars	As at March 31, 2021	As at March 31, 2020
Term loans (Secured)		
At Amortised Cost		
From Banks	1,43,60,16,411	1,54,65,62,997
From Non-Banking Financial Companies	99,44,62,600	2,28,22,44,319
Collateralised Borrowings	-	2,13,41,959
Total	**2,43,04,79,011**	**3,85,01,49,275**
Borrowings in India*	2,43,04,79,011	3,85,01,49,275
Borrowings outside India	-	-
	2,43,04,79,011	**3,85,01,49,275**

*The loans are fully secured against hypothecation of Book Debts (Refer Note 17A).

Notes to the Financial Statements for the Year ended March 31, 2021 | (All amount in ₹, unless otherwise stated)

17A Details of terms of repayment for the Borrowings from Banks, NBFCs, NCD and Security provided in respect of the same.

Particulars	Details of Security	Terms of Repayment	Rate of Interest as at March 31, 2021	As at 31st March 2021		As at March 31, 2020	
				Instalment Due (Range)	Total	Instalment Due (Range)	Total
			%		₹		₹
Term loans from Banks:							
IDBI Bank	Hypothecation of Book Debt, Term deposit & Corporate Guarantee of GTFS Multi Services Limited (GTFSMSL)	Monthly	11.95	9	1,98,02,306	16	5,28,40,214
Punjab & Sind Bank	Hypothecation of Book Debt, Cash Margin, Corporate Guarantee of GTFSMSL	Monthly	10.9	1	4,15,758	9	1,51,35,336
Vijaya Bank	Hypothecation of Book Debt, Cash Margin, Corporate Guarantee of GTFSMSL	Monthly	12	-	-	3	1,68,49,437
Syndicate Bank	Hypothecation of Book Debt, Cash Margin, Corporate Guarantee of GTFSMSL	Quarterly	11.95	-	-	1	1,11,56,698
UCO Bank	Hypothecation of Book Debt, Term deposit & Corporate Guarantee of GTFSMSL	EMI	10.60-11.75	3-26	9,07,37,911	3-33	13,65,63,198
Bank of Baroda	Hypothecation of Book Debt, Term deposit & Corporate Guarantee of GTFSMSL	Quarterly	10.45	-	-	4	2,00,10,832
Bank of Maharashtra	Hypothecation of Book Debt, Term deposit & Corporate Guarantee of GTFSMSL	Monthly	11.4	5	1,40,98,723	12	3,34,25,062
Capital Small Finance Bank	Hypothecation of Book Debt, Term deposit & Corporate Guarantee of GTFSMSL	EMI	13	-	-	3	1,42,28,308
State Bank of India	Hypothecation of Book Debt, Cash Margin, Corporate Guarantee of GTFSMSL	Monthly	10.50-11.05	39	30,76,89,359	21-32	42,25,65,223
ICICI Bank	Hypothecation of Book Debt, Cash Margin, Corporate Guarantee of GTFSMSL	Monthly	13.5	-	-	10	8,20,73,393
ESAF Small Finance Bank	Hypothecation of Book Debt, Cash Margin, Corporate Guarantee of GTFSMSL	Monthly	13.4	5	2,34,32,506	10	5,33,24,434
IDFC Bank	Hypothecation of Book Debt, Corporate Guarantee of GTFSMSL	Quarterly & Monthly	14.00-14.50	45	17,52,75,558	20-24	22,35,25,013
Allahabad Bank	Hypothecation of Book Debt, Corporate Guarantee of GTFSMSL	Quarterly & Monthly	10.45	3	5,62,68,914	5	9,35,38,429
Ujjivan Small Finance Bank	Hypothecation of Book Debt, Corporate Guarantee of GTFSMSL	Monthly	12.5	5	3,09,71,140	15	9,37,57,495
Canara Bank	Hypothecation of Book Debt, Corporate Guarantee of GTFSMSL	Monthly	12.5	28	3,92,62,124	35	4,85,94,282
Oriental Bank of Commerce	Hypothecation of Book Debt, Corporate Guarantee of GTFSMSL	Monthly	10.8	42	13,11,15,861	48	15,05,38,136
Indian Bank	Hypothecation of Book Debt, Corporate Guarantee of GTFSMSL	Monthly	12	24	8,19,81,489	30	9,97,79,468
Micro Units Development & Refinance Agency Ltd.	Hypothecation of Book Debt, Corporate Guarantee of GTFSMSL,PG	Monthly	5.83	21	15,76,52,045	-	-
Small Industries Development Bank of India	Hypothecation of Book Debt, Corporate Guarantee of GTFSMSL,PG	Monthly	6.97	1	5,70,22,991	-	-
National Bank for Agriculture and Rural Development	Hypothecation of Book Debt, Corporate Guarantee of GTFSMSL,PG	Yearly	7.05	2	25,02,89,726	-	-
Total - Term loans from Banks (A)					**1,43,60,16,411**		**1,56,79,04,956**

17A Details of terms of repayment for the Borrowings from Banks, NBFCs, NCD and Security provided in respect of the same (continued).

Particulars	Details of Security	Terms of Repayment	Rate of Interest as at March 31, 2021	As at 31st March 2021		As at March 31, 2020	
				Instalment Due (Range)	Total	Instalment Due (Range)	Total
			%		₹		₹
Term loans from NBFCs:							
Ananya Finance for Inclusive Growth (P) Limited	Hypothecation of Book Debt, Margin	Monthly	15	10	2,63,03,177	22	7,09,14,354
Maanaveeya Development & Finance Limited	Hypothecation of Book Debt, Cash Margin	Monthly	14.25-17	14	8,57,43,100	16-18	20,38,13,160
Nabsamrudhhi Financial Limited	Hypothecation of Book Debt, Corporate Guarantee of GTFSMSL, Fixed Deposit	Quarterly	13.5-14.00	7	6,71,47,051	1-8	14,51,17,288
Nabard Financial Services Limited	Hypothecation of Book Debt, Fixed Deposit	Monthly	14	-	-	7	1,95,41,591
Jain Sons Finlease Limited	Hypothecation of Book Debt, Fixed Deposit	EMI	16	1	95,93,676	13	3,75,17,648
Electronica Finance Limited	Hypothecation of Book Debt, Deposit	EMI	13.75-14.50	8	1,46,21,512	4-18	3,65,79,728
InCred Financial Services Private Limited	Hypothecation of Book Debt	EMI	13.75-14.75	9-24	6,11,01,269	4-19	9,18,78,726
Profectus Capital Services Limited	Hypothecation of Book Debt, Fixed Deposit	EMI	14.5	-	-	4	1,74,69,304
MAS Financial Services Limited	Hypothecation of Book Debt, Deposit and Comfort letter of GTFSMSL	Monthly	13.90-14.75	3-18	37,33,69,347	4-24	94,33,98,298
Hinduja Leyland Finance Limited	Hypothecation of Book Debt , Comfort Letter of GTFS MSL	EMI	13.75-14.00	7-8	9,35,12,591	10-18	22,40,20,481
Habitat Microbuild India Housing Finance Company Pvt. Ltd.	Hypothecation of Book Debt, Cash Margin	EMI	14.50-14-75	14-34	4,70,29,425	24-38	6,38,32,916
TATA Capital Financial Services Limited	Hypothecation of Book Debt, Fixed Deposit and Corporate Guarantee of GTFSMSL	Quarterly	11.5	-	-	1	87,76,662
NABKISAN Finance Limited	Hypothecation of Book Debt, Fixed Deposit, Comfort Letter of GTFS MSL	Quarterly	14.25	5-10	11,16,51,836	9	11,02,13,421
Satin Creditcare Network Limited	Hypothecation of Book Debt, Deposit	EMI	15	-	-	7	2,89,34,943
Satin Finserv Limited	Hypothecation of Book Debt, Deposit	EMI	15	-	-	7	1,27,81,318
Arohan Financial Services Limited	Hypothecation of Book Debt, Deposit	EMI	14.75	2	46,88,237	12	2,65,48,965
Western Capital Advisory Services Limited	Hypothecation of Book Debt	Monthly	14.75	2-16	4,86,91,672	12	2,70,93,497
Shine Star Build Cap	Hypothecation of Book Debt, Fixed Deposit and Corporate Guarantee of GTFSMSL	Monthly	14.75	2	1,42,88,198	14	9,29,41,651
Saidham Merchantile Pvt. Ltd.	Hypothecation of Book Debt, Cash Margin	Monthly	15	4	1,41,65,697	14	4,65,64,271
Eclear Leasing and Financing Ltd	Hypothecation of Book Debt, Cash Margin	Monthly	14.75	10	2,24,81,345	20	4,23,60,766
Hero Fincorp	Hypothecation of Book Debt, Cash Margin	Monthly	14.75	1	74,468	11	3,19,45,332
Total - Term loans from NBFCs (B)		**Total**			**99,44,62,600**		**2,28,22,44,319**
Total (A+B)					**2,43,04,79,011**		**3,85,01,49,275**

17.2 Subordinated Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
Subordinated Debt (Tier II Capital)*	5,00,43,081	5,00,41,802
	5,00,43,081	**5,00,41,802**
Subordinated Liabilities in India	5,00,43,081	5,00,41,802
Subordinated Liabilities outside India	-	-
	5,00,43,081	**5,00,41,802**

*During the year ended 31 March 2021, the Company has raised ₹NIL (Previous Year ₹500 lakhs as Subordinated Debt having 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).

18. Current Tax Liabilities (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Income Tax [Net of Advance Tax of ₹2,04,79,353 (March 31, 2020: ₹5,03,25,658)]	3,39,36,811	73,12,991
	3,39,36,811	**73,12,991**

19. Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Compensated Absence	37,69,259	35,73,259
Provision for Gratuity (refer note 36)	10,86,884	25,00,560
	48,56,143	**60,73,819**

20. Other Non-financial Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Dues Payable	18,05,028	62,22,851
	18,05,028	**62,22,851**

21. Equity Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Authorized share capital				
Equity Shares of ₹10 each	7,50,00,000	75,00,00,000	7,50,00,000	75,00,00,000
	7,50,00,000	**75,00,00,000**	**7,50,00,000**	**75,00,00,000**
Issued, Subscribed and Fully Paid-up				
Equity Shares of ₹10 each	4,82,96,200	48,29,62,000	4,82,96,200	48,29,62,000
	4,82,96,200	**48,29,62,000**	**4,82,96,200**	**48,29,62,000**

(a) Reconciliation of Shares Outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Balance at the beginning of the year	4,82,96,200	48,29,62,000	4,34,96,200	43,49,62,000
Add: Issued during the year	-	-	48,00,000	4,80,00,000
Balance at the end of the year	**4,82,96,200**	**48,29,62,000**	**4,82,96,200**	**48,29,62,000**

(b) Details of Shareholders holding more than 5% of the Aggregate Shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
Name of the Shareholders	Number	Percentage	Number	Percentage
Fully Paid-up Equity Shares of ₹10 each: (a) GTFS Multi Services Limited	**3,48,15,600**	**72.09**	**3,48,15,600**	**72.09**

(c) Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹10 per Share. Such holder of Equity Share is entitled to one vote per Share. 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. However, no such preferential amounts exists currently.

22. Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020
Securities Premium		
Opening Balance	**8,55,13,000**	**4,35,13,000**
Add: Received on Issue of Equity Shares for the year	-	4,20,00,000
Closing Balance	**8,55,13,000**	**8,55,13,000**
Statutory Reserve		
Opening Balance	**11,32,69,255**	**8,35,40,746**
Add: Transferred from Surplus in the Statement of Profit and Loss for the year	-	2,97,28,509
Closing Balance	**11,32,69,255**	**11,32,69,255**
Retained Earnings		
Opening Balance	**30,59,41,579**	**25,13,98,046**
Add: Profit/(Loss) after Tax Transferred from Statement of Profit and Loss	(4,90,83,744)	14,86,42,544
Add: Other Comprehensive Income/(Loss)	5,42,407	(14,46,137)
Less: Dividend Paid	3,86,36,960	5,21,95,440
Less: Dividend Distribution Tax Paid	-	1,07,28,925
Less: Amount Transferred to Statutory Reserve	-	2,97,28,509
Closing Balance	**21,87,63,282**	**30,59,41,579**
	41,75,45,537	**50,47,23,834**

Nature and Purpose of Reserves

i) Securities Premium

Securities Premium is used to record the Premium on Issue of Shares. The Reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.

ii) Statutory Reserve

Statutory Reserve has been created out of profits earned by the Company in the previous years. The Company has transferred 20% of the Profit after Tax to the Statutory Reserve in accordance with the provision of Section 45-IC of The Reserve Bank of India Act, 1934.

iii) Retained Earnings

Retained Earnings are the profits that the Company has earned till date, less any transfer to General Reserves, Dividends and other distributions made to the Shareholders.

Notes to the Financial Statements for the Year ended March 31, 2021 | (All amount in ₹, unless otherwise stated)

23. Interest Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
On Financial Assets measured at Amortised Cost		
Interest Income on Loans	1,00,31,98,570	1,01,62,84,713
Interest Income on Deposits	4,52,86,711	4,09,95,756
	1,04,84,85,281	**1,05,72,80,469**

24. Dividend Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend Income	88,995	51,34,094
	88,995	**51,34,094**

25. Other Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Miscellaneous Income*	2,68,377	11,06,668
	2,68,377	**11,06,668**

*Includes Bad Debt Recovery for FY 2020-21: ₹1,97,288/- (Previous Year: ₹11,06,072/-) and Liabilty written Back for FY 2020-21: ₹14,744/-, (Previous Year: ₹596/-).

26. Finance Costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on Borrowings	45,06,64,551	48,51,39,439
Interest on Debt Securities	9,73,21,577	8,44,37,805
Interest on Subordinated Liabilities	84,82,502	42,79,149
Other Interest Expense	20,63,965	52,88,235
	55,85,32,595	**57,91,44,628**

27. Impairment on Financial Instruments

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
On Financial instruments measured at Amortised Cost		
Loans	29,99,98,136	4,53,85,422
	29,99,98,136	**4,53,85,422**

28. Employee Benefits Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and Wages	14,48,52,242	13,56,25,150
Contribution to Provident and Other Funds	1,43,34,066	1,33,58,105
Staff Welfare Expenses	42,22,577	41,93,386
	16,34,08,885	**15,31,76,641**

29. Depreciation and Amortisation Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on Property, Plant and Equipment	36,89,176	37,13,317
Amortisation of Intangible Assets	13,00,578	11,43,210
	49,89,754	**48,56,527**

30. Other Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Electricity Charges	23,84,074	27,88,024
Rent (Refer Note 35)	3,35,44,118	3,08,79,283
Repairs and Maintenance	17,07,556	11,80,081
Software Maintenance	9,44,531	8,92,583
Director Sitting Fees	20,11,050	23,70,750
Printing and Stationery	28,48,106	35,75,093
Telephone Expenses	34,30,348	36,93,436
Travelling Expenses	1,59,78,318	1,60,96,704
Membership Fees	14,57,033	13,79,774
Professional Fees	49,01,916	48,48,102
Statutory Auditor's Remuneration		
- For Statutory Audit	17,00,000	17,00,000
- For Tax Audit	2,00,000	2,00,000
- For Certification Fees	7,00,000	3,00,000
- For Out of Pocket Expenses	64,444	50,816
Corporate Social Responsibility ('CSR') Expenses (refer note 34)	44,03,526	62,78,946
Consultancy Charges	43,36,811	56,62,061
Training Expenses	9,53,760	13,85,072
Rates and Taxes	13,48,695	10,37,886
Internal Audit Fees	9,35,906	17,48,585
Security and Contractual Manpower Expenses	5,33,012	4,79,909
Insurance Premium Paid	15,36,464	14,27,468
Miscellaneous Expenses	34,11,269	22,10,859
	8,93,30,937	**9,01,85,432**

31. Additional Information to the Financial Statements

31.1 Contingent Liabilities and Commitments (to the extent not provided for)

Particulars	As at March 31, 2021	As at March 31, 2020
Contingent Liabilities	NIL	NIL
Commitments		
Estimated Amount of Contracts remaining to be executed on Capital Account and not provided for:	NIL	NIL

31.2 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, 2021 are as under:

Description	Year ended March 31, 2021	Year ended March 31, 2020
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.	-	-

32. List of Related Parties and Relationship

Name	Relationship
GTFS Multi Services Limited	Holding Company.
Ms. Abira Majumder	Individual having significant influence.
Ms. Aatreyee Majumder	Key Management Personnel - Whole-time Director and Relative of Individuals having significant influence.
Mr. Adipta Majumder	Individuals having significant influence.
Mr. Bhabesh Majumder	Relative of Individuals having significant influence.
Mrs. Sona Majumder	Relative of Individuals having significant influence.
Mr. Sourav Ghosh	Key Management Personnel - Managing Director and Relative of Individuals having significant influence.
Mr. Jaydeep Ghosh	Key Management Personnel - Whole-time Director and CEO.

Transaction with Related Parties

Particulars	Holding Company	Key Management Personal	Individual and Relatives of Individuals having Significant Influence
Dividend Paid	**2,78,52,480**	-	**90,08,400**
	(4,17,78,720)	(-)	(77,52,600)
Rent and Maintenance Charges	**1,99,52,936**	-	-
	(1,99,25,679)	(-)	(-)
Rent and Maintenance Charges (paid to Mr. Bhabesh Majumder)	-	-	**2,83,200**
	(-)	(-)	(2,83,200)
Share Capital including Premium (Issued to Ms. Abira Majumder)	-	-	-
	(-)	(-)	(3,75,99,375)
Share Capital including Premium (Issued to Ms. Aatreyee Majumder)	-	-	-
	(-)	(2,61,52,500)	(-)
Share Capital including Premium (Issued to Mr. Adipta Majumder)	-	-	-
	(-)	(-)	(2,62,48,125)
Remuneration of Mr. Sourav Ghosh	-	**33,94,800**	-
	(-)	(26,02,896)	(-)
Remuneration of Ms. Aatreyee Majumder	-	**31,12,800**	-
	(-)	(24,85,427)	(-)
Remuneration of Mr. Jaydeep Ghosh	-	**31,12,800**	-
	(-)	(26,71,260)	(-)

#Previous year's numbers are disclosed in bracket.

32. List of Related Parties and Relationship (Continued)

Balance Outstanding Payable as at March 31, 2021

Particulars	Holding Company	Key Management Personal	Individual and Relatives of Individuals having Significant Influence
Remuneration of Mr. Sourav Ghosh (Balance as at March 31, 2021)	-	**2,65,800**	-
Remuneration of Mr. Sourav Ghosh (Balance as at March 31, 2020)	(-)	(-)	(-)
Remuneration of Ms. Aatreyee Majumder (Balance as at March 31, 2021)	-	**2,43,800**	-
Remuneration of Ms. Aatreyee Majumder (Balance as at March 31, 2020)	(-)	(-)	(-)
Equity Share Capital of GTFS Multi Services Private Limited (Balance as at March 31, 2021)	**34,81,56,000**	-	-
Equity Share Capital of GTFS Multi Services Private Limited (Balance as at March 31, 2020)	(34,81,56,000)	(-)	(-)
Equity Share Capital of Ms. Aatreyee Majumder (Balance as at March 31, 2021)	-	**3,00,00,000**	-
Equity Share Capital of Ms. Aatreyee Majumder (Balance as at March 31, 2020)	(-)	(2,99,49,000)	(-)
Equity Share Capital of Ms. Abira Majumder (Balance as at March 31, 2021)	-	-	**3,65,54,000**
Equity Share Capital of Ms. Abira Majumder (Balance as at March 31, 2020)	(-)	(-)	(3,65,54,000)
Equity Share Capital of Mr. Adipta Majumder (Balance as at March 31, 2021)	-	-	**3,00,00,000**
Equity Share Capital of Mr. Adipta Majumder (Balance as at March 31, 2020)	(-)	(-)	(3,00,00,000)
Equity Share Capital of Mrs. Sona Majumder(Balance as at March 31, 2021)	-	-	**1,60,01,000**
Equity Share Capital of Mrs. Sona Majumder(Balance as at March 31, 2020)	(-)	(-)	(1,60,01,000)
Remuneration of Mr. Jaydeep Ghosh (Balance as at March 31, 2021)	-	**2,43,800**	-
Remuneration of Mr. Jaydeep Ghosh (Balance as at March 31, 2020)	(-)	(-)	(-)
Security Deposit for Rent (Balance as at March 31, 2021)	**69,75,600**	-	-
Security Deposit for Rent (Balance as at March 31, 2020)	(69,75,600)	(-)	(-)

#Previous year's numbers are disclosed in bracket.

33. Earnings Per Share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit/(Loss) for the year available to Equity Shareholders (₹)	(4,85,41,337)	14,71,96,407
Weighted Average Number of Equity Shares	4,82,96,200	4,59,88,003
Nominal Value per Equity Share (₹)	10	10
Basic and Diluted Earnings per Share (₹)	(1.01)	3.20

34. Corporate Social Responsibility (CSR) Expenditure

In accordance to Section 135 of Companies Act 2013, the Company has incurred ₹44,03,526/- (Previous year: ₹62,78,946) 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 center and other social security programmes. Out of the above expenditure, ₹2,31,171/- (Previous year: ₹32,36,191) has been donated by the Company to the Prime Minister's National Relief Fund (PMNRF) on account of the unspent balances for the previous years.

Amount spent during the year on:

Particulars	In Cash	Yet to be Paid in Cash	Total
(i) Construction/Acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	44,03,526	-	44,03,526

35. Operating Lease – as a Lessee

The Company has taken certain office premises under cancellable operating lease arrangements which generally, range between 11 months to 1 year, and are usually renewable by mutual agreement. For the year ended 31st March, 2021, lease payments charged to the Statement of Profit and Loss with respect to such leasing arrangements aggregate to ₹3,35,44,118 (Previous Year: ₹3,08,79,283). The Company has availed the benefit of short-term lease exemption under Ind AS 116 and charged off the lease payments charged to the Statement of Profit and Loss.

36. 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.

36.1 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	March 31, 2021	March 31, 2020
Reconciliation of Present Value of Defined Benefit Obligation		
Obligation at the beginning of the year	75,51,076	40,00,064
Current Service Cost	22,89,794	22,57,540
Interest Cost	5,04,993	2,40,658
Past Service Cost	-	-
Actuarial (gains)/losses recognised in Other Comprehensive Income		
- Changes in Experience Adjustments	(5,35,103)	2,88,956
- Changes in Financial Assumptions	(2,72,594)	15,80,157
Benefits Settled	3,14,667	8,16,299
Obligation at the end of the year	**92,23,499**	**75,51,076**
Reconciliation of Present Value of Plan Assets		
Plan Assets at the beginning of the year, at Fair Value	50,50,516	38,56,444
Interest Income on Plan Assets	3,44,950	2,58,382
Re-measurement – Actuarial Gain	-	-
Return on Plan Assets	(78,404)	(63,399)
Employer Contributions	31,34,220	18,15,388
Benefits Settled	3,14,667	8,16,299
Plan Assets at the end of the year, at Fair Value	**81,36,615**	**50,50,516**
Net Defined Benefit Liability	**10,86,884**	**25,00,560**

36.2 Expense Recognised in Profit or Loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current Service Cost	22,89,794	22,57,540
Interest Cost	1,60,042	(17,723)
Net Gratuity Cost	**24,49,836**	**22,39,817**

36.3 Income Recognised in Profit or Loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income	-	-
Net Gratuity Income	**-**	**-**

Notes to the Financial Statements for the Year ended March 31, 2021 | (All amount in ₹, unless otherwise stated)

36.4 Re-measurement Recognised in Other Comprehensive Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Re-measurement of the Net Defined Benefit Liability		
- Changes in Experience Adjustments	(2,72,594)	15,80,157
- Changes in Financial Assumptions	(5,35,103)	2,88,956
Re-measurement of the Net Defined Benefit Asset		
Return on Plan Assets (greater)/less than discount rate	(78,404)	(63,399)
Total Actuarial (gain)/loss included in OCI	**(7,29,293)**	**19,32,512**

36.5 Plan Assets

Particulars	March 31, 2021	March 31, 2020
Funds managed by insurer	100%	100%

36.6 Defined Benefit Obligation - Actuarial Assumptions

Particulars	March 31, 2021	March 31, 2020
Discount Rate	6.83%	6.70%
Expected Return on Plan Asset	6.83%	6.70%
Rate of Compensation Increase (Salary Inflation)	6.00%	6.00%
Early Retirement & Disablement (All Causes Combined)	1.00%	1.00%

36.7 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	March 31, 2021			
	Increase	%	Decrease	%
Discount Rate (+/- 100 basis points)	82,59,090	-10.46	1,03,26,353	11.96
Future Salary Growth (+/- 100 basis points)	1,03,25,430	11.95	82,51,711	-10.54
Attrition Rate (+/- 100 basis points)	92,09,203	-0.16	92,37,888	0.16
Mortality Rate (+/- 100 basis points)	92,27,742	0.05	92,19,256	-0.05
Particulars	**March 31, 2020**			
	Increase	**%**	**Decrease**	**%**
Discount Rate (+/- 100 basis points)	67,21,364	-10.99	85,04,248	12.62
Future Salary Growth (+/- 100 basis points)	85,02,285	12.60	67,15,927	-11.06
Attrition Rate (+/- 100 basis points)	75,37,711	-0.18	75,64,517	0.18
Mortality Rate (+/- 100 basis points)	75,53,945	0.04	75,48,207	-0.04

36.8 Table Showing Cash Flow Information

Particulars	March 31, 2021	March 31, 2020
Next Year Liability (Expected)	1,24,68,995	1,07,13,681
Minimum Funding Requirements	39,16,689	53,70,974
Company's Discretion	-	-

36.9 Table Showing Maturity Analysis of the Defined Benefit Plan

Particulars	March 31, 2021	March 31, 2020
Year 1	1,35,489	44,720
Year 2	65,396	99,328
Year 3	70,844	54,138
Year 4	75,057	58,655
Year 5 and above	5,26,65,858	4,47,57,619
Total Undiscounted Payments related to Past Service	5,30,12,643	4,50,14,460
Projected Benefit Obligation	92,23,499	75,51,076

36.10 The Company has contributed ₹78,74,117 (Previous year: ₹71,23,749) to Defined Contribution Schemes.

36.11 Code on Social Security

The Indian Parliament has approved the Code on Social Security, 2020 (the 'Code') which would impact the contributions by the Company towards provident fund and gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

37. 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 throughout 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.

37.1 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).

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.

37.2 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:

37.2a 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.

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	As at March 31, 2021
0.50% Increase	0.98 Crore
0.50% Decrease	0.98 Crore

37.2b Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/risk bearing instruments.

37.3 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 mobilisation team sources funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilisation 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 in Note No. 40.8 provide details regarding the contractual maturities of significant financial assets and liabilities as at year end.

38. 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, 2021			As at March 31, 2020		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Cash and Cash Equivalents	13,21,57,522	-	13,21,57,522	26,73,62,459	-	26,73,62,459
Other Balances with Bank	30,94,72,626	18,57,40,439	49,52,13,065	37,05,64,097	18,93,60,823	55,99,24,920
Trade Receivables	1,46,231	-	1,46,231	1,15,302	-	1,15,302
Loans	1,96,48,78,086	1,23,80,47,735	3,20,29,25,821	3,56,98,84,858	1,08,51,89,619	4,65,50,74,477
Investments	-	-	-	50,33,593	-	50,33,593
Other Financial Assets	92,30,668	12,92,34,086	13,84,64,754	7,01,47,590	12,37,05,252	19,38,52,841
Tax Assets (Net)	-	10,59,74,346	10,59,74,346	-	3,29,87,894	3,29,87,894
Property, Plant and Equipment	-	92,26,717	92,26,717	-	1,10,19,332	1,10,19,332
Other Intangible Assets	-	29,48,964	29,48,964	-	33,96,508	33,96,508
Other Non-financial Assets	19,52,808	-	19,52,808	26,04,100	-	26,04,100

Liabilities	As at March 31, 2021			As at March 31, 2020		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Trade Payables	3,64,30,682	-	3,64,30,682	1,68,53,409	-	1,68,53,409
Debt Securities	16,84,51,935	46,25,00,000	63,09,51,935	-	80,70,31,446	80,70,31,446
Borrowings (Other than Debt Securities)	1,74,86,62,768	68,18,16,243	2,43,04,79,011	1,98,13,73,602	1,86,87,75,673	3,85,01,49,275
Subordinated Liabilities	-	5,00,43,081	5,00,43,081	-	5,00,41,802	5,00,41,802
Current Tax Liabilities (Net)	3,39,36,811	-	3,39,36,811	73,12,991	-	73,12,991
Provisions	-	48,56,143	48,56,143	-	60,73,819	60,73,819
Other Non-financial Liabilities	18,05,028	-	18,05,028	62,22,851	-	62,22,851

*For the year ended March 31, 2021, all borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.

39. 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.

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, 2021		As at March 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
a) Measured at Amortised Cost				
i) Cash and Cash Equivalents	13,21,57,522	13,21,57,522	26,73,62,459	26,73,62,459
ii) Other Bank Balances	49,52,13,065	49,52,13,065	55,99,24,920	55,99,24,920
iii) Trade Receivables	1,46,231	1,46,231	1,15,302	1,15,302
iv) Loans	3,20,29,25,821	3,20,29,25,821	4,65,50,74,477	4,65,50,74,477
v) Other Financial Assets	13,84,64,754	13,84,64,754	19,38,52,842	19,38,52,842
Subtotal	**3,96,89,07,392**	**3,96,89,07,392**	**5,67,63,30,002**	**5,67,63,30,002**
b) Measured at Fair value through Profit or Loss				
i) Investments	-	-	50,33,593	50,33,593
Subtotal	-	-	50,33,593	50,33,593
Total Financial Assets	**3,96,89,07,393**	**3,96,89,07,393**	**5,68,13,63,595**	**5,68,13,63,595**
Financial liabilities				
a) Measured at Amortised Cost				
i) Payables	3,64,30,682	3,64,30,682	1,68,53,409	1,68,53,409
ii) Debt Securities	63,09,51,935	65,10,62,996	80,70,31,446	81,36,89,747
iii) Borrowings (Other than Debt Securities)	2,43,04,79,011	2,44,47,27,290	3,85,01,49,275	3,92,33,52,896
iv) Subordinated Liabilities	5,00,43,081	5,02,56,666	5,00,41,802	5,02,25,317
Total Financial Liabilities	**3,14,79,04,709**	**3,18,24,77,634**	**4,72,40,75,932**	**4,80,41,21,369**

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 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 reflects market risks.

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

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

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.

Fair Value Hierarchy of Financial Assets and Financial Liabilities

	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	3,20,29,25,821	3,20,29,25,821
Investments	-	-	-	-
Other Financial Assets	-	-	13,84,64,754	13,84,64,754
	-	**-**	**3,34,13,90,575**	**3,34,13,90,575**
Financial Liabilities				
Debt Securities	-	-	63,09,51,935	63,09,51,935
Borrowings (Other than Debt Securities)	-	-	2,43,04,79,011	2,43,04,79,011
Subordinated Liabilities	-	-	5,00,43,081	5,00,43,081
	-	**-**	**3,11,14,74,027**	**3,11,14,74,027**

	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	4,65,50,74,477	4,65,50,74,477
Investments	50,33,593	-	-	50,33,593
Other Financial Assets	-	-	19,38,52,842	19,38,52,842
	50,33,593	**-**	**4,84,89,27,319**	**4,85,39,60,912**
Financial liabilities				
Debt Securities	-	-	80,70,31,446	80,70,31,446
Borrowings (Other than Debt Securities)	-	-	3,85,01,49,275	3,85,01,49,275
Subordinated Liabilities	-	-	5,00,41,802	5,00,41,802
	-	**-**	**4,70,72,22,523**	**4,70,72,22,523**

Fair Value of the Company's Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

Particulars	Fair Value as at		Fair Value Hierarchy	Valuation Technique and Key Input	Significant Unobservable Input
	March 31, 2021	March 31, 2020			
Financial Assets					
Loans	3,20,29,25,821	4,65,50,74,477	Level 3	Note (i)	Note (i)
Investments	-	50,33,593	Level 1	Note (ii)	N/A
Other Financial Assets	13,84,64,754	19,38,52,842	Level 3	Note (i)	Note (i)
Financial liabilities					
Debt Securities	65,10,62,996	81,36,89,747	Level 3	Note (iii)	Note (iii)
Borrowings (other than Debt Securities)	2,44,47,27,290	3,92,33,52,896	Level 3	Note (iii)	Note (iii)
Subordinated Liabilities	5,02,56,666	5,02,25,317	Level 3	Note (iii)	Note (iii)

(i) Income Approach

The discounted cash flow method was used to capture the present value of the expected future benefits to be derived from the Loan Assets and Other Financial Assets. However, since these loans and financials assets have short-term maturity, the fair value approximates the carrying value.

(ii) Quoted Prices

Quoted bid prices of an active market was used.

(iii) Discount rate, determined using the average cost of lending of the Company

Reconciliation of Level 3 Fair Value Measurements

Reconciliation	Loans	
	March 31, 2021	March 31, 2020
Opening Balance	4,65,50,74,477	3,91,09,12,864
Issuances	1,97,27,21,000	6,92,25,25,000
Settlements	3,42,48,69,657	6,17,83,63,387
Closing Balance	**3,20,29,25,821**	**4,65,50,74,477**
Unrealised Gains and Losses related to Balances held at the end of the period	-	-

C) Transfers of Financial Assets

Transfers of Financial Assets that are not derecognised in their entirety:

Assignment: The Company has carried out an securitisation transaction wherein it has securitised loans to banks. Even though the loan assets have been securitised, the Company still holds the right (legal as well as contractual) to recover the entire overdue balance in respect of these loan assets. Further, the returns are dependent on the realisation from the securitised loan assets, leading to Company bearing the risk of non-realisation from the pool.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not de-recognised in their entirety and associated liabilities:

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying Amount of Assets	-	1,15,91,990
Carrying Amount of Associated Liabilities	-	2,13,41,959
Fair Value of Assets	-	1,15,91,990
Fair Value of Associated Liabilities	-	2,13,41,959

40. RBI Disclosures

40.1 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

Particulars	As at March 31, 2021	As at March 31, 2020
Tier I Capital	79,65,45,105	1,09,44,08,330
Tier II Capital	4,43,23,114	9,85,56,390
Total	84,08,68,219	1,19,29,64,720
Total Risk Weighted Assets	3,71,98,44,598	5,35,13,03,566

Capital Ratios		
Tier I Capital as a percentage of Total Risk Weighted Assets (%)	21.41%	17.86%
Tier II Capital as a percentage of Total Risk Weighted Assets (%)	1.19%	1.84%
Total Capital (%)	22.60%	19.70%

40.2 Investments

Particulars	As at March 31, 2021	As at March 31, 2020
HDFC Liquid Fund - Mutual Fund (fully in India)	-	50,33,593

40.3 Ratings

Particulars	Rating Agency	Ratings	Date	Valid upto	Amount
Term Borrowings from Banks and Sub Debt	Aquite	BBB+	11/01/21	18/06/21	400.00 Crore
Non-Convertible Debentures	ICRA	BBB-	29/10/18	28/10/22	55.00 Crore
Non-Convertible Debentures	ICRA	BBB-	23/12/19	23/12/24	22.00 Crore

40.4 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.

40.5 Exposure to real estate sector, both direct and indirect

The Company does not have any direct or indirect exposure to the real estate sector as at March 31, 2021.

40.6 Other Disclosures

a) The Company, during the current year and previous year, has no exposure in derivatives.

b) It has also not transferred any loans through securitisation nor has purchased or sold any non-performing financial assets during the said periods.

c) 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.

d) The Company is not registered with any from other financial sector regulators.

e) During the current and previous years, no penalties were imposed by the RBI and other regulators.

f) There were no drawdown from reserves, concentration of deposits, advances, exposures and NPAs during the current and previous years.

40.7 Maturity Pattern of Assets and Liabilities

Maturity pattern of certain items of assets and liabilities as at March 31,2021

Particulars	Up to one Month	Over one Month to 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 4 Months	Over 4 Months upto 6 Months	Over 6 Months to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Liabilities:	**30,63,84,555**	**20,08,20,768**	**22,67,59,521**	**16,62,78,964**	**47,39,79,073**	**84,75,52,686**	**99,44,13,369**	**32,77,96,296**	**-**	**3,54,39,85,233**
Borrowings from Banks and Others	28,10,56,829	20,08,20,768	21,25,00,626	16,62,78,964	47,39,79,073	61,53,85,782	71,95,92,119	7,91,94,369	-	2,74,88,08,531
Market Borrowings	2,53,27,726	-	1,42,58,895	-	-	23,21,66,904	27,48,21,250	24,86,01,927	-	79,51,76,702
Assets:	**30,75,19,517**	**32,35,46,891**	**35,63,04,535**	**34,65,08,443**	**56,81,36,154**	**1,05,07,16,421**	**1,41,50,39,925**	**-**	**-**	**4,36,77,71,885**
Advances	30,75,19,517	32,35,46,891	35,63,04,535	34,65,08,443	56,81,36,154	1,05,07,16,421	1,41,50,39,925	-	-	4,36,77,71,885

1. All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.
2. 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 31,2020

Particulars	Up to one Month	Over one Month to 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 4 Months	Over 4 Months upto 6 Months	Over 6 Months to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Liabilities:	**12,41,41,243**	**5,42,28,669**	**20,93,38,868**	**21,10,00,061**	**52,31,99,616**	**1,40,11,82,974**	**2,70,96,58,931**	**40,21,25,310**	**2,75,03,425**	**5,66,23,79,097**
Borrowings from Banks and Others	8,82,63,368	5,42,28,669	19,50,36,941	21,10,00,061	52,31,99,616	1,35,10,05,099	1,95,91,45,950	12,49,23,383	2,75,03,425	4,53,43,06,512
Market Borrowings	3,58,77,875	-	1,43,01,927	-	-	5,01,77,875	75,05,12,981	27,72,01,927	-	1,12,80,72,585
Assets:	**1,05,52,029**	**16,22,157**	**61,45,55,324**	**60,98,37,673**	**1,04,79,44,284**	**2,16,91,18,224**	**1,21,66,41,351**	**-**	**-**	**5,67,02,71,042**
Advances	1,05,52,029	16,22,157	61,45,55,324	60,98,37,673	1,04,29,10,691	2,16,91,18,224	1,21,66,41,351	-	-	5,66,52,37,449
Investments	-	-	-	-	50,33,593	-	-	-	-	50,33,593

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.

40.8 Disclosure of Frauds reported during the year vide RBI/DNBS.PD.CC.No. 256/03.10.042/2011-12 dated March 02, 2012

	Less than ₹1 lakh		₹1 lakh to ₹5 lakh		₹5 lakh to ₹25 lakh		Total	
	No. of Accounts	Value (₹In Lakh)	No. of Accounts	Value (₹In Lakh)	No. of Accounts	Value (₹In Lakh)	No. of Accounts	Value (₹In Lakh)
A) Person Involved								
Staff	-	-	-	-	-	-	-	-
Customer	-	-	-	-	-	-	-	-
Staff & Customer	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
B) Type of Fraud								
Misappropriation and Criminal Breach of Trust	-	-	-	-	-	-	-	-
Fraudulent Encashment/Manipulation of Books of Accounts	-	-	-	-	-	-	-	-
Unauthorised Credit Facility Extended	-	-	-	-	-	-	-	-
Negligence and Cash Shortages								
Cheating and Forgery	-	-	-	-	-	-	-	-
Any other kind fraud not coming under above heads								
Total	-	-	-	-	-	-	-	-

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

40.9 Movement of Loan and Estimated Credit Loss (ECL)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Value of Assets as at March 31, 2020	**4,70,05,89,807**	**96,07,595**	**2,43,64,458**	**4,73,45,61,860**
New Assets originated during the year, netted off for repayments and de-recognised portfolio	(1,31,92,47,772)	(69,10,278)	17,40,07,529	(1,15,21,50,521)
Assets written off during the year			(64,45,824)	(64,45,824)
				-
Movement between Stages				**-**
Transfer to Stage 1	2,22,475	(1,16,962)	(1,05,513)	-
Transfer to Stage 2	(1,64,89,32,128)	1,64,89,32,128	-	-
Transfer to Stage 3	(7,69,13,563)	(600)	7,69,14,163	-
Gross Carrying Value of Assets as at March 31, 2021	**1,65,57,18,819**	**1,65,15,11,883**	**26,87,34,813**	**3,57,59,65,516**

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowance as at March 31, 2020	**4,85,56,391**	**80,62,511**	**2,28,68,481**	**7,94,87,383**
New Assets originated during the year, netted off for repayments and de-recognised portfolio	(3,93,08,405)	(77,92,779)	11,46,53,580	6,75,52,397
Assets written off during the year			(60,50,122)	(60,50,122)
Movement between Stages				
Transfer to Stage 1	580	(11,696)	(99,036)	(1,10,153)
Transfer to Stage 2	(42,96,284)	16,48,93,213		16,05,96,928
Transfer to Stage 3	(2,00,398)	(60)	7,21,92,490	7,19,92,031
ECL Allowance as at March 31, 2021	**47,51,884**	**16,51,51,188**	**20,35,65,393**	**37,34,68,464**

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Value of Assets as at March 31, 2019	**3,93,82,01,895**	**33,77,503**	**90,85,631**	**3,95,06,65,029**
New Assets originated during the year, netted off for repayments and de-recognised portfolio	77,37,23,918	58,41,504	1,03,37,002	78,99,02,424
Assets written off during the year			(60,05,593)	(60,05,593)
				-
Movement between Stages				-
Transfer to Stage 1	11,12,761	(10,54,598)	(58,163)	-
Transfer to Stage 2	(15,41,336)	15,41,336		-
Transfer to Stage 3	(1,09,07,431)	(98,150)	1,10,05,581	-
Gross Carrying Value of Assets as at March 31, 2020	**4,70,05,89,807**	**96,07,595**	**2,43,64,458**	**4,73,45,61,860**

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowance as at March 31, 2019	**2,80,94,166**	**29,84,010**	**86,73,989**	**3,97,52,165**
New Assets originated during the year, netted off for repayments and de-recognised portfolio	2,04,96,031	48,40,255	95,56,095	3,48,92,381
Assets written off during the year			(56,36,849)	(56,36,849)
Movement between Stages				
Transfer to Stage 1	3,318	(6,46,584)	(54,592)	(6,97,858)
Transfer to Stage 2	(4,596)	9,45,007	-	9,40,410
Transfer to Stage 3	(32,528)	(60,177)	1,03,29,838	1,02,37,133
ECL Allowance as at March 31, 2020	**4,85,56,391**	**80,62,511**	**2,28,68,481**	**7,94,87,383**

Comparison between Provisions required under 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 provisions and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
Performing Assets						
Standard	Stage 1	1,65,57,18,820	43,23,114	1,65,13,95,706	-	43,23,113.62
	Stage 2	1,65,15,11,883	16,51,51,188	1,48,63,60,695	-	16,51,51,188
Subtotal		3,30,72,30,703	16,94,74,302	3,13,77,56,401	-	16,94,74,302
Non-performing Assets (NPA)						
Substandard	Stage 3	26,87,34,813	20,35,65,393	6,51,69,420	7,58,92,039	12,76,73,354
Subtotal		26,87,34,813	20,35,65,393	6,51,69,420	7,58,92,039	12,76,73,354
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under Income Recognition, Asset Classification and Provisioning Norms (IRACP)	NA	NA				
Subtotal						
Total	**Stage 1**	1,65,57,18,820	43,23,114	1,65,13,95,706	-	43,23,114
	Stage 2	1,65,15,11,883	16,51,51,188	1,48,63,60,695	-	16,51,51,188
	Stage 3	26,87,34,813	20,35,65,393	6,51,69,420	7,58,92,039	12,76,73,354

*As per IRAC 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.

40.10 Disclosure as per RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6th August, 2020

During the year, the Company has invoked resolution plan for eligible borrowers based on the parameters laid down in accordance with the restructuring policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI vide its notification no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated on August 6, 2020. The required details of the accounts where resolution plan were invoked as at March 31, 2021 are as follows:

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	-	-	-	-	-
Corporate persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	59,524	1,02,70,83,002	-	54,50,34,841	15,05,68,236
Total	**59,524**	**1,02,70,83,002**	**-**	**54,50,34,841**	**15,05,68,236**

40.11 Disclosures pursuant to RBI Notification – RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April, 2020 on 'COVID-19 Regulatory Package - Asset Classification and Provisioning' in respect of SMA/overdue categories, where the moratorium/deferment was extended

(₹ in crore)

Asset classification as per Ind AS 109	31-Mar-21	31-Mar-20
i) Respective amounts In SMA/Overdue categories. where the moratorium/deferment was extended *	0.64	2.55
ii) Respective amount where asset classification benefits is extended $	0.03	1.83
iii) Provision made on the cases where asset classification benefit is extended #	NA	NA
iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	NA	NA

Note: Amount represents principal outstanding only.

*Outstanding as on March 31, 2021 and March 31, 2020 respectively on account of all cases in SMA/overdue categories where moratorium benefit was extended by the Company as at March 31, 2020.

$Represents outstanding balances as on March 31, 2021 and March 31, 2020 with respect to accounts which were not classified as Stage III as at March 31, 2020 due to moratorium.

#The Company has made adequate provision for impairment loss allowance (as per ECL model) for the year ended March 31, 2021 and March 31, 2020. No specific loan level provisioning is made with respect to loan to which asset classification benefit was extended.

41. Disclosure as required under RBI Master Direction DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016, as updated

During the year the average interest on borrowings calculated on balances of average monthly outstanding borrowings is 15.80%.

During the year the Company has charged an average interest rate of 22.34%, calculated on average monthly balances of outstanding loan portfolio.

42. Disclosure as per FEDAI Circular SPL-05.BC/UFCE Format/2018 dated 17th May 2018

Particulars	Quarterly Data on Foreign Currency Exposures						
	Unhedged			Hedged through forward or derivative (#)			Natural Hedge
	</=1 year	> 1 year	Total	</=1 year	> 1 year	Total	</=1 year
FCY Receivables	-	-	-	-	-	-	-
Exports	-	-	-	-	-	-	-
Loans to JV/WOS	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
FCY Payables	-	-	-	-	-	-	-
Imports	-	-	-	-	-	-	-
Trade Credits	-	-	-	-	-	-	-
ECBs	-	-	-	-	-	-	-
Other FCY loans	-	-	-	-	-	-	-
INR to USD swaps	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

Note: EBID (i.e. Profit After Tax + Depreciation + Interest on Debt + Lease Rentals)as on 31st March, 2021 is ₹54,85,25,130/-

43. 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	Amount
Liabilities side	**Outstanding**	**Overdue**
1) Loans & advances availed by the NBFC inclusive of accrued interest thereon but not paid		
(a) Debentures: Secured	63,09,51,935	Nil
Unsecured	Nil	Nil
(Other than falling within the meaning of public deposits)		
(b) Deferred credits	Nil	Nil
(c) Term loans	2,48,05,22,092	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
2) Break up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(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	Amount
Assets Side	**Outstanding**
3) Break up of loans and advances including bills receivables [other than those included in (4) below]	
(a) Secured	Nil
(b) Unsecured	3,20,29,25,821
4) Break up of leased assets and stock on hire and other assets counting towards AFC activities.	
(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	-
(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	3,20,29,25,821	3,20,29,25,821
Total	**Nil**	**3,20,29,25,821**	**3,20,29,25,821**

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
(b) 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	11,69,24,582
(ii) Net Non-performing Assets*	
(a) Related parties	Nil
(b) Other than related parties	1,20,35,839
(iii) Assets acquired in satisfaction of debt	Nil

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

44. Segment Information

The Company, being a NBFC-MFI operates in a single reportable operating segment i.e. business of Micro Financing activities in India and hence there are no separate reportable segments as per Ind AS 108 'Operating Segments'.

45. Impact of COVID-19 pandemic

The COVID-19 pandemic continues to spread across the globe and India, which has contributed to a significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The financial statements, includes the potential impact of the COVID-19 pandemic on the Company's financial statements which are dependent on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the second wave of COVID-19 and any action to contain its spread or mitigate its impact whether Government mandated or elected by the Company and its subsequent impact on the recoverability's on the Company's assets. The Company has, based on current available information and based on the policy approved by the board, determined the provision for impairment of financial assets.

Based on the current indicators of future economic conditions, the Company considers this provision to be adequate and expects to recover the carrying amount of these financial assets. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

46. Previous Year's Figures

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

47. Adoption in Board Meeting

These Financial Statements together with the accounting policies and notes have been adopted in the Meeting of the Board dated September 10, 2021.

In terms of our attached report

For Deloitte Haskins & Sells
Chartered Accountants
Firm Registration No. 302009E

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date: September 10, 2021

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

Sourav Ghosh
Managing Director
DIN: 08154243

Jaydeep Ghosh
Whole-time Director & CEO
DIN: 07475085

Tirtha Pratim Sahu
Chief Financial Officer

Tanusree Ghosh
Company Secretary

Place: Kolkata
Date: September 10, 2021

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