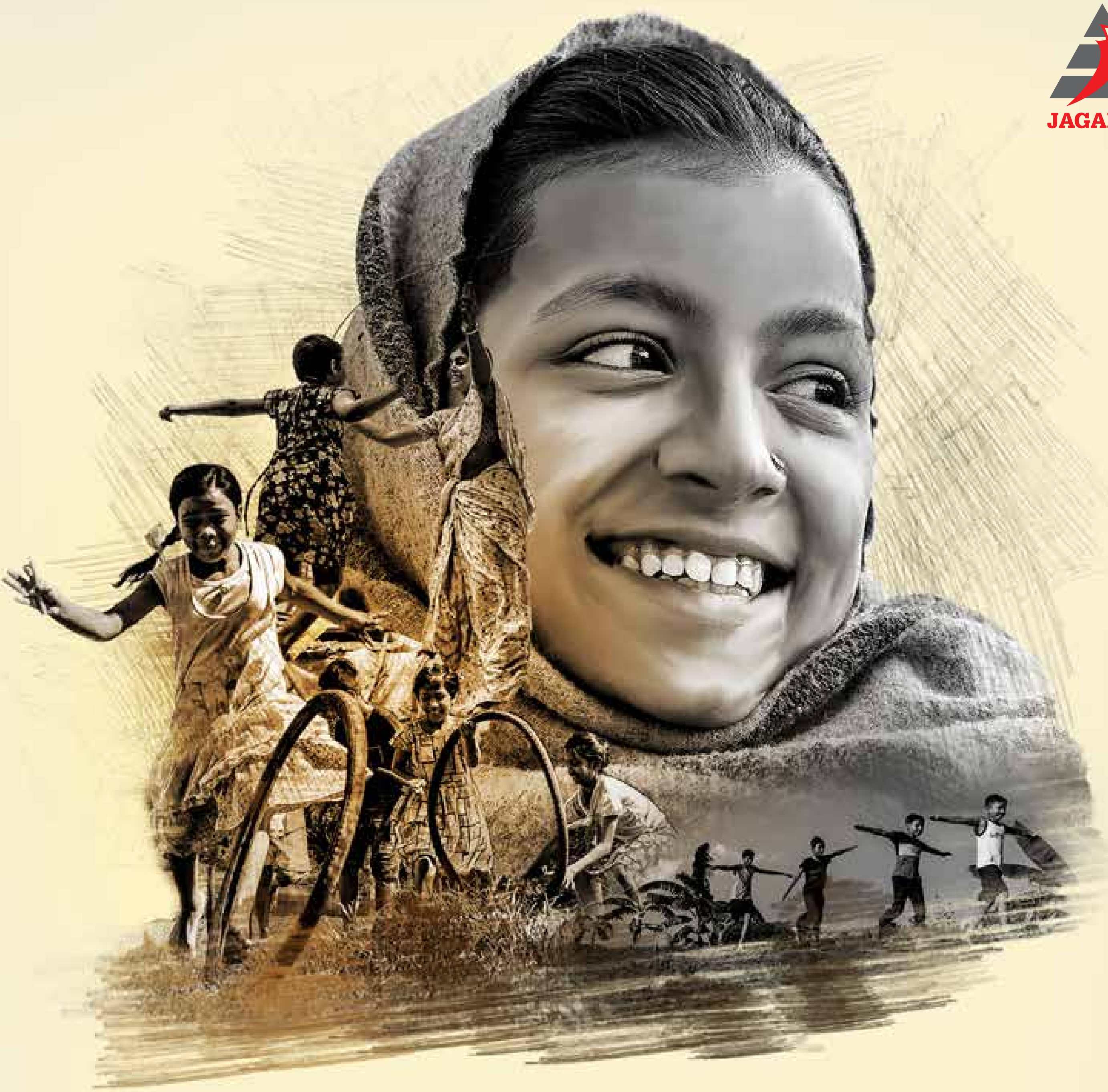


BELONG BUILD BALANCE

"WE WILL ONLY SECURE A PROSPEROUS, PEACEFUL AND LIVEABLE PLANET IF WE HARNESS ECONOMIC GROWTH AND DEVELOPMENT TO SOCIAL SOLIDARITY ACROSS AND BETWEEN GENERATIONS."

— OSCAR AULIQ-ICE

What is the greatest feature of sustainable livelihoods? Experts claim that at the heart of a prosperous and resilient humanity lies the struggle to find balance in our personal and collective lives. A strong and substantial community is only built on the pillars of 'balance and order and rhythm and harmony'. Especially during a time of unforeseen distress, we find the indispensable need to create stability anew out of chaos. As crises ensue and the going gets tough, the tough get going. Adapting to the changing times with alertness, tenacity and innovation, we remould ourselves and our goals according to the emergent necessities of mercurial circumstances.

The struggle for balance leads us to opt for the feasible and phase out the unviable, so that we arrive at a middle ground between innovation and preservation. Modifying the old path and treading with cautious zeal, we learn new virtues, rectify past mishaps, recognise extant roadblocks and reconfigure our process of harnessing resources, material and human. Thus, we strive towards the best balance between stability and progress, to traverse the most efficient trajectory of growth.

We at Jagaran have realised the importance of striking such a balance in the course of our journey through the COVID-19 pandemic. As a microfinance company with more than a decade of experience in our field, we surmised that this unprecedented event should necessitate a change in our perspectives and operations. This was because the isolating and devastating shocks of COVID-19 – medical bottlenecks, quarantine due to lockdown, employment nosedive – were indeed felt throughout our country and across the world, but their worst effects were unequivocally faced by those situated at the bottom of the socio-economic pyramid. Since Jagaran works with this underprivileged strata, we were immediately alerted to the economic vulnerability of our stakeholders. Thus, we had to examine the situation and create resilient mechanisms of sustenance as well as new opportunities of revival to bolster all those who make Jagaran a beacon of hope and a harbinger of change.

For instance, the unorganised labour sector and the economically weaker sections were faced with an almost insurmountable task precipitated by the pandemic: adjust to the digital life while having the least social protection or assistance. They were also the least able to afford the privileges of social distancing and hygiene. Moreover, the rural sector was strained to the limit because of the reverse migration of disenfranchised migrant workers. Cyclone Amphan only exacerbated the stark human crises where struggle and alienation became the defining motifs of existence.

Steering Jagaran through such dire straits, we found that balance cannot be obtained without solidarity among and across generations. While the internet and the digital world were populated by the youth and the elite, COVID-19 changed their salience in terms of communication, economic transaction and education across demographic and economic divides. It became clear to us that Jagaran and its stakeholders must possess the wherewithal to shift operations to the digital realm, which is becoming the 'new normal' throughout the world.

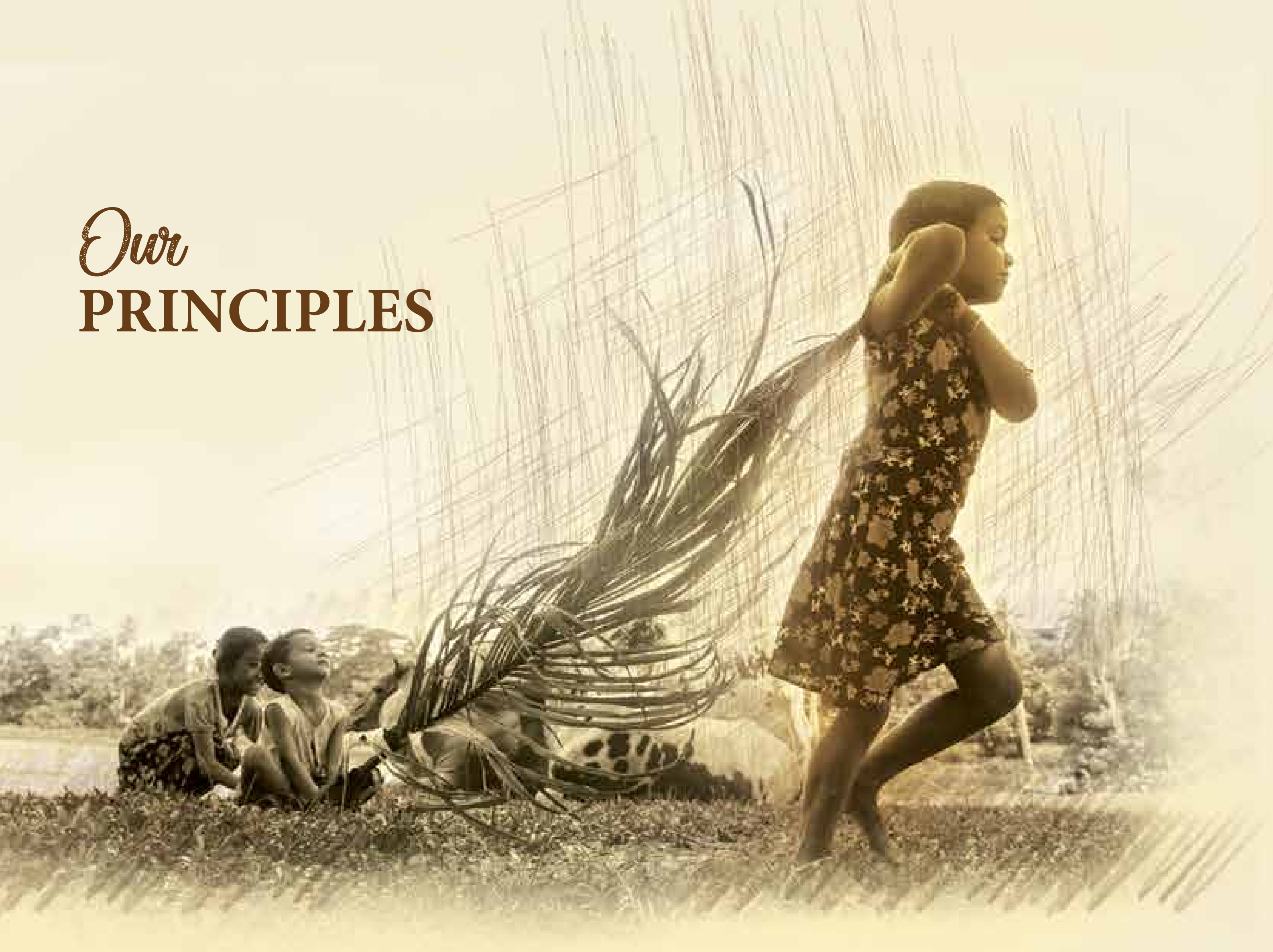
In this financial year, our journey back to a state of balance has been arduous but rewarding. Indeed, to turn things around in the digitalizing economy we have relied on our double bottom line approach, where our profitability is counterbalanced by our evaluation of the positive social impact of what we do. Thus, while we celebrate the profit we have made this year, we can proudly claim that we have never compromised on the material and social well-being of our stakeholders. Our enduring focus on their socio-economic revival offsets our profit. Our approach keeps pushing us in the only way forward: to rebalance the scales that have gone haywire due to the pandemic, a situation whose ripples have affected the vulnerable so unjustly.

In adapting to these ripple effects, we have augured that the best brew of balance is achieved through a healthy sprinkle of care. As a result, the amounts of and rates of interest on the loans we offer, the timeframes of their repayment, the specific groups we target, are all balanced and poised with regard to our goal of helping the borrower and equitability with respect to our programmes.

In retrospect, Jagaran's decade-long journey has perfectly prepared us for such testing times. In 2010, when we commenced our work, the country was reeling from an economic crisis that had almost debilitated the financial sector. We braved that extremely difficult phase through steadfast commitment to our basic values of patience, resilience and determination during hardships. As a rural-based microfinance entity focusing on women, we have always foregrounded financial and social sustainability along with the imperative to build communities that are self-reliant, entrepreneurial and empowered.

This financial year, not only has our demand increased but our job count has also witnessed inspiring signs of improvement! We are witnessing the dawn of a new era, marked by a receding pandemic, increasingly digitalised operations, technology-aware stakeholders and an optimistic economy. On that note, we acknowledge and offer deepest gratitude to our employees who have devoted their time, effort, blood and sweat to ensure we come out stronger, more prepared and more stable. They have boosted our belief in our work and strengthened our resolution to balance, build and bolster. We hope to have the support and goodwill of all our stakeholders as we look back on our journey through 2021-2022.

Our PRINCIPLES



Vision

We at Jagaran offer strength and support to those who are financially vulnerable in our society. We empower them so that they are able to integrate themselves seamlessly into our country's economy. Focusing on women, we work towards economic literacy in the larger communities by encouraging entrepreneurial projects through financial investments and essential counsel. In addition, we aim to increase our clients' accessibility to financial resources and thus ensure improvements in health, education and livelihoods.

Mission

We envisage Jagaran as a microfinance institution that promises to foster social and financial sustainability in rural and semi-urban India. At Jagaran, we prioritise the empowerment of socio-economically deprived sectors, especially women who have been refused access to financial independence. By cultivating entrepreneurial attitudes and concomitant employment opportunities among them, we want to enhance the quality of their lives. Therefore, we work towards an economy that is more balanced and attentive to the needs of its most underprivileged strata.

Values

Keeping in mind our goal of offering financial services to those in need, we develop and maintain significant and genuine relationships with our customers. A majority of our operations involve stakeholders in rural and semi-urban locales who are inadequately informed about the financial schemes they can utilise.

While the COVID-19 pandemic proved a major roadblock in our efforts to reach people living in such areas, we stuck to our core values of continuous communication even as we shifted to digital modes of interactions. As a result, our relationships with our customers have persevered and we have been able to function as their pillar of strength during the ensuing crises.

We also promote local participation in our operations. Our recurrent, empathetic and forbearing engagement with the local populations for our operations, even in times of distress, has tipped as the scales in our favour. The increases in demand and job counts testify to our hard work.

Transparency

Since most of our customers are initially in the dark about our financial offers, our foremost responsibility is to keep them abreast of the aspects, benefits and efficiency of our products. In addition, we provide them information about other convenient services and the full impacts of helpful financial schemes. This way, they not only gain important information about sustainable financial practices but also avoid falling in the traps of various fraudulent schemes that dot the rural landscape.

In light of the pandemic, our employees countervailed the severe loss of rural and semi-urban livelihoods by doubling their mitigating efforts: re-strategising personal expenditures, jointly developing more feasible repayment timelines, offering conditional moratoriums while ensuring the greatest level of transparency to our customers regarding these operations. In turn, Jagaran consolidated a sense of community where our customers considered us to be undaunted allies in their struggle towards bolstering their own livelihoods as well as the larger economy.

Integrity

Integrity is evaluated by one's capacity to withstand the most rigorous forms of inspection, and we at Jagaran are ready for the scrutiny in both individual and collective capacities. We receive audits from leading firms, undertake stress tests to calculate compliance standards and have recruited an exceptional team that always strives to surpass the set targets. Moreover, our management team shares decades of experience that is reflected in their financial advice and their ideals of balancing, building and bolstering the lives and livelihoods of the socio-economically disadvantaged communities.

Determination

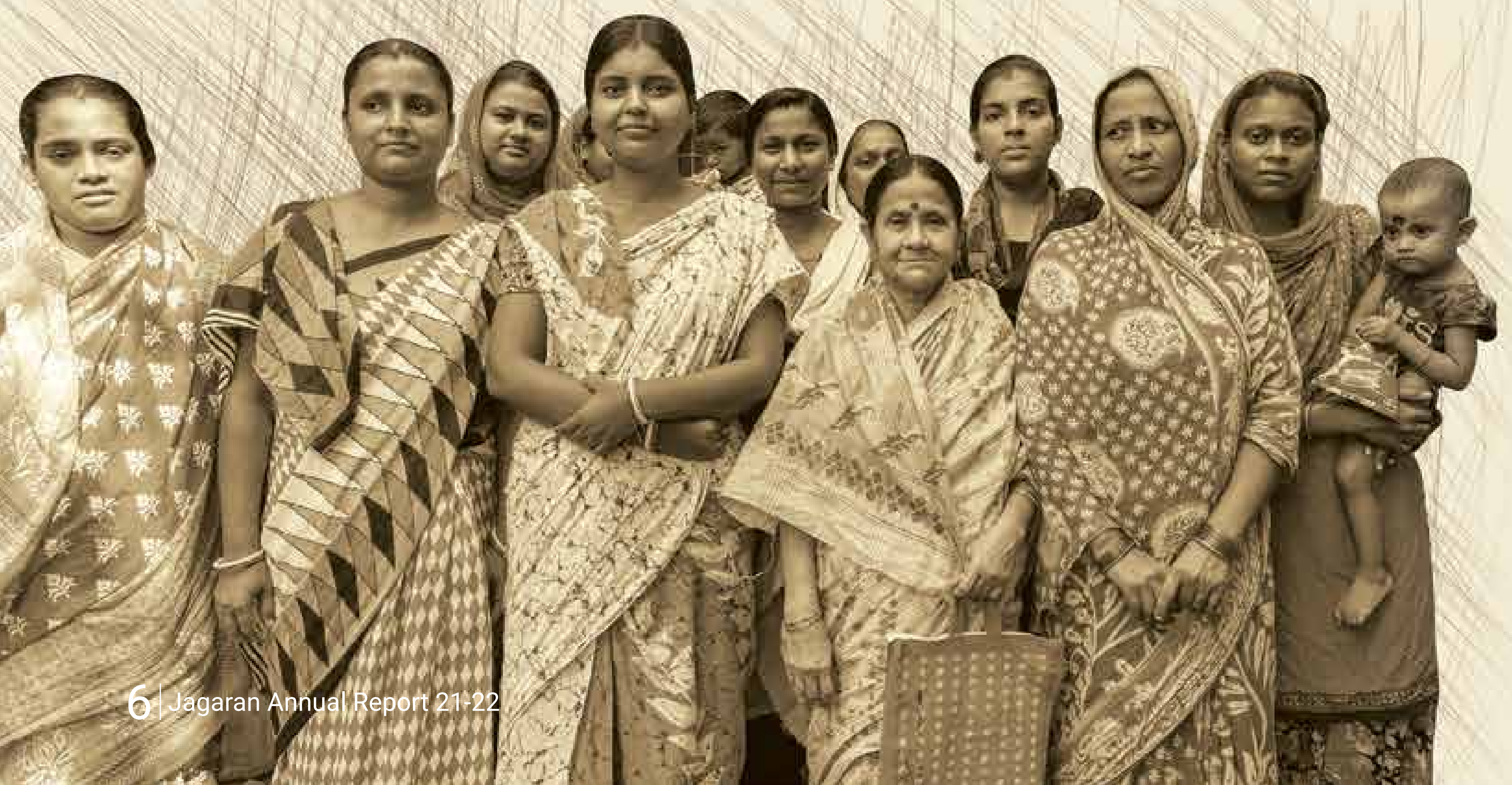
Generally, an economic crisis has the most adverse effects on the microfinance sector, mainly because the institutions here work with those who comprise the bottom of the socio-economic pyramid. Indeed, the stability of India's microfinance sector has been subjected to many hindrances in the recent times. These include governance and planning-related problems as well as natural disasters and health crises. Since our operations commenced a decade ago, Jagaran has walked the tightrope of precarious circumstances and learned invaluable lessons in overcoming each setback. Today, we are proud of the strong foundations we have built and on whose support we are able to strengthen the economic well-being of our customers.

Innovation

Like the entire microfinance sector in India, Jagaran has witnessed spells of swift transformations. Anticipating the same, we have always foregrounded the need for flexibility and innovation with regard to protean circumstances, so that we come out stronger in the long run.

Hence, we consistently draft and survey new strategies to scale up operations, streamline daily functions, improve service delivery and always appraise our goals while simultaneously making sure we devote our undivided attention towards our customers.

For instance, we had to shift quickly from our pre-pandemic reliance on in-person interactions, group models, doorstep collections and disbursements due to their emergent unviability in the 'new normal' microfinance sector. For us, survival meant innovation. First, we replaced our extant collection models with our digital pay wallet, IPay, which has assisted several of our customers during the pandemic and ensured an accessible payment facility. Furthermore, Jagaran employees doubled the efforts to ensure greater efficiency with individualised field collections from our clients. In some cases, we revamped our group strategy and operated with smaller groups, following social distancing protocols. Without a doubt, innovation became and has remained the backbone of our struggle to find balance out of chaos.



WHAT WE OFFER

Jagaran is a microfinance institution based in India. We have actively participated in industry-level initiatives led by the Microfinance Institutions Network (MFIN). We have intently abided by MFIN code of conduct that promotes responsible lending operations. Since our inauguration in November 2010, Jagaran has been offering small loans to women beneficiaries participating in income-generating activities and small-scale business projects.

Saral

Our bellwether product Saral was outlined to finance small business ventures and offered to entrepreneurs in the fields of agriculture, cottage industries, animal husbandry or artisanal ventures by women. The pandemic necessitated a remoulding of Saral; now, lenders can borrow up to ₹50,000 under this scheme at reduced interest rates. In addition, we have kept our offers of special variant schemes of Saral like Suvidha and Seva, which address seasonal outlays and specific exigencies. These case-specific loan schemes have come to the much-needed aid of those involved with the agricultural sector and small businesses, offsetting the impact of various natural disasters that led to devastating losses.

Suvidha

Under Suvidha, our customers can meet the costs related to seasonal businesses. They can borrow up to ₹25,000 with this product with a loan tenure of 9 months.

Seva

A healthy and hygienic life for our borrowers is one of our topmost priorities. In this vein, we offer loans for WASH (Water Sanitation and Hygiene) under Seva. As part of this scheme, the loan amount ranges from ₹25,000 up to ₹30,000, which each of these loans having a tenure of 1 year. We offer our clients the option of borrowing under Seva in case they need financial help while adopting clean energy and more environment-conscious business operations.

IPay

Recently, we have been devoting our time and research towards developing digital products. IPay was designed to streamline digital transactions for our customers, together with encouraging digital literacy in the rural and semi-rural locations where we operate. We successfully launched this e-payment system amidst the lockdown in 2020, when in-person interactions were rendered impossible.

In this larger framework of operations influenced by the pandemic, IPay proved to be specifically efficient. For example, our clients were able to make fast payments and learn about this digital system with the help of our patient employees. We were also able to collect loan repayments in a more organised manner with IPay.

Our JOURNEY SO FAR…

After more than a decade of growth, as of March 31, 2022, Jagaran is proud to be operational across 136 branches across 33 districts in 5 States with around 800 employees. We have more than 45,000 active groups and the count of our active borrowers has crossed 1,46,000.

Even as the microfinance industry continues to battle various socio-economic obstacles, the COVID-19 pandemic, cyclones Amphan and Yaas and their attendant challenges have pushed us to make pivotal shifts in automation and investments in our employees' capacity development. These changes will empower us to pre-empt and overcome future roadblocks. Moreover, we have upgraded and revamped our products in tandem with the requirements of our stakeholder communities. We believe that change is constant in our field and we must be prepared to update our operations and technologies accordingly, while never imperilling our core values. In this context, we are delighted to see the resilience and resoluteness of our clients and workforce, who are collectively taking Jagaran forward.

Our team has always sought practical ways of successfully achieving our socio-economic aims. We are positive that our passionate employees will prevail over the threats of socio-economic upheavals and set new goals to achieve in the future.

THE ROAD AHEAD

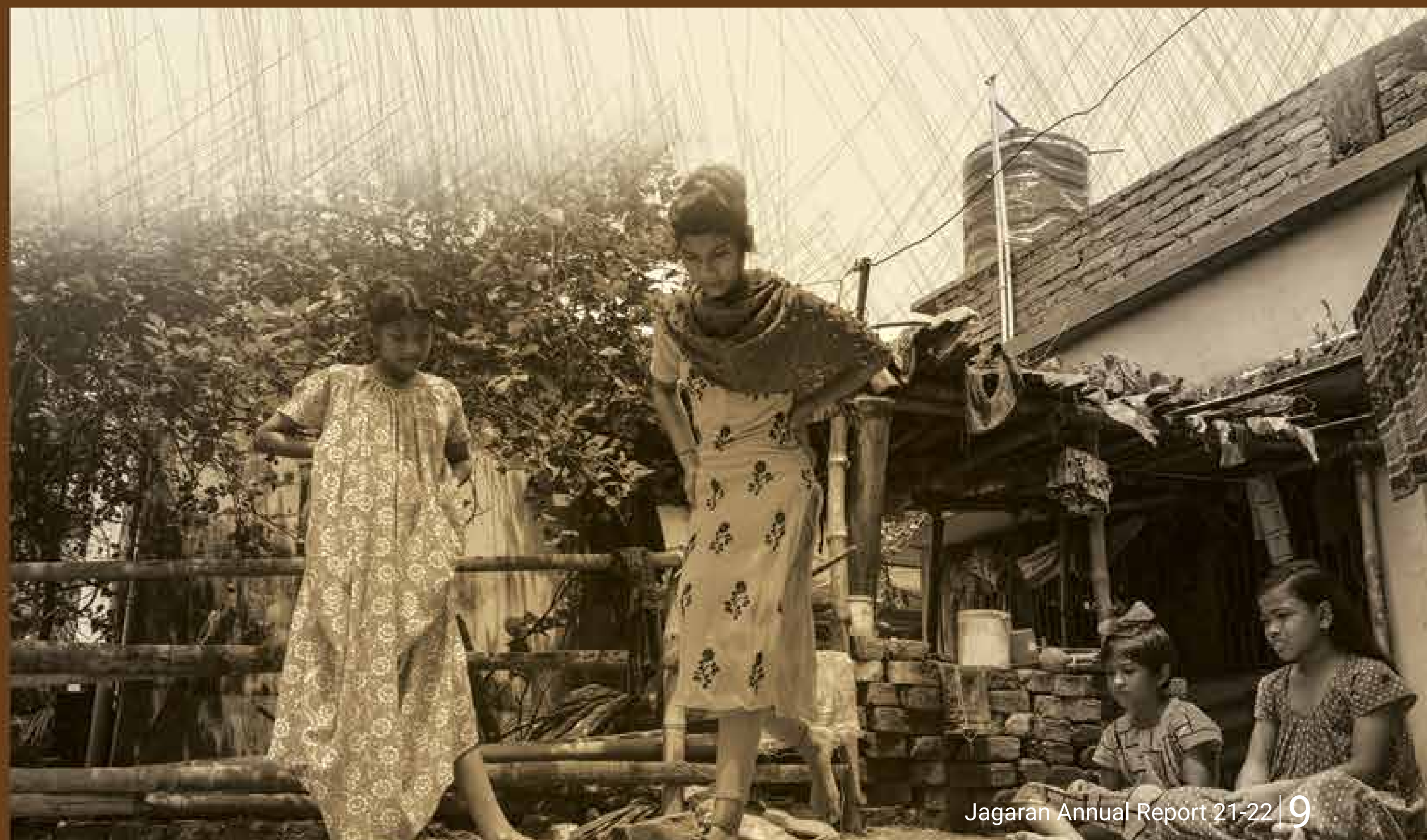
Spread our Network

In the financial year 2021-22, we have sought the right economic balance and helped our stakeholder communities bounce back from the disorder induced by COVID-19, political unrest and natural disasters. Not to be disheartened, we have braved it all with a firm belief in our values and adaptability as well as the zeal of our clients. Consequently, we have recorded increases in product demand as well as job counts. In the future, we plan to expand our networks and help many more disadvantaged people rebuild their homes and livelihoods.

Redesign our Products

Flexibility and transformation are the cornerstones of the microfinance sector, as the post-pandemic situation has demonstrated. In this financial year, we have reached out to people and helped new customers avail of our revamped offers that could meet their variegated demands. In this endeavour, our employees have guided our clients, helping them to acquaint themselves with our remodelled products.

Looking ahead, we pledge to keep redesigning our extant products and introduce new offers that our customers can use to their benefit.



Encourage Digital Literacy

As technology keeps playing a salient role in communication and transaction post-COVID, we are certain that digital literacy will play the key role in streamlining future microfinance operations. As rural and semi-urban communities remain unequally deprived of technological know-how, in the years ahead we plan to resume our digital literacy efforts and consult domain specialists who will help make our products more feasible and acceptable in rural and semi-urban locations.

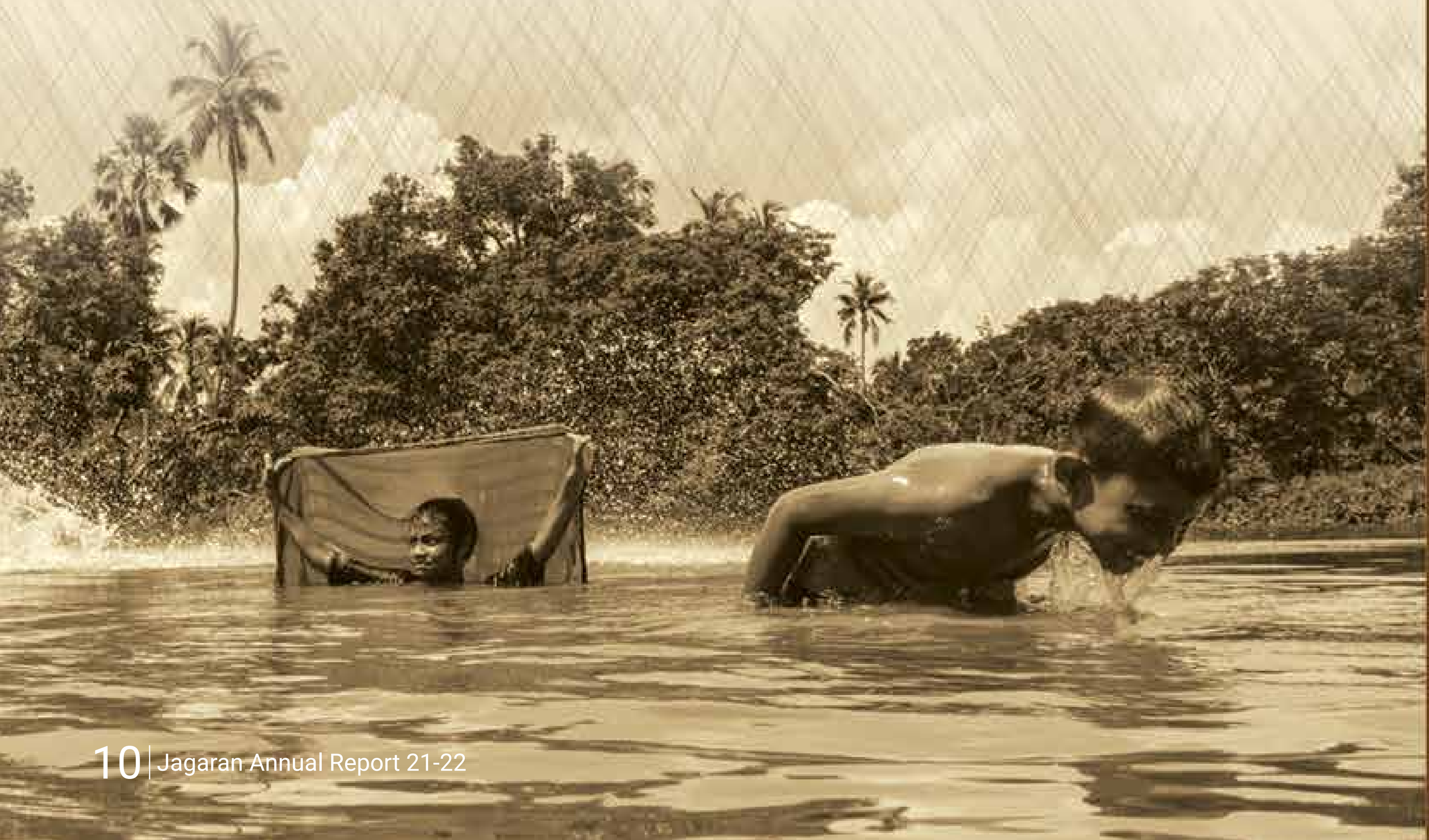
Acquire more Employees

The post-COVID scenario in the microfinance sector calls for rebuilding over what has been lost. In this mood of revival and rebalance, we at Jagaran reiterate the importance of recruiting new employees to support and streamline our meticulous work.

Our current team of outstanding employees have already displayed undaunted resolve and versatility in their work, going the extra mile and nurturing endurable relationships with our clients even under the most precarious of circumstances. Going forward, we plan to recruit eager, capable and hardworking professionals who are acquainted with our organisational policy and who will seek and consolidate novel, advanced and effective operations in the field.

Modify WASH Infrastructure

We at Jagaran strongly believe that 'access to clean water and sanitation for all' is a basic necessity for a dignified life. Going forward, we want to further invigorate our commitment to clean water, sanitation and hygiene by streamlining our stakeholder communities' access to WASH infrastructure.



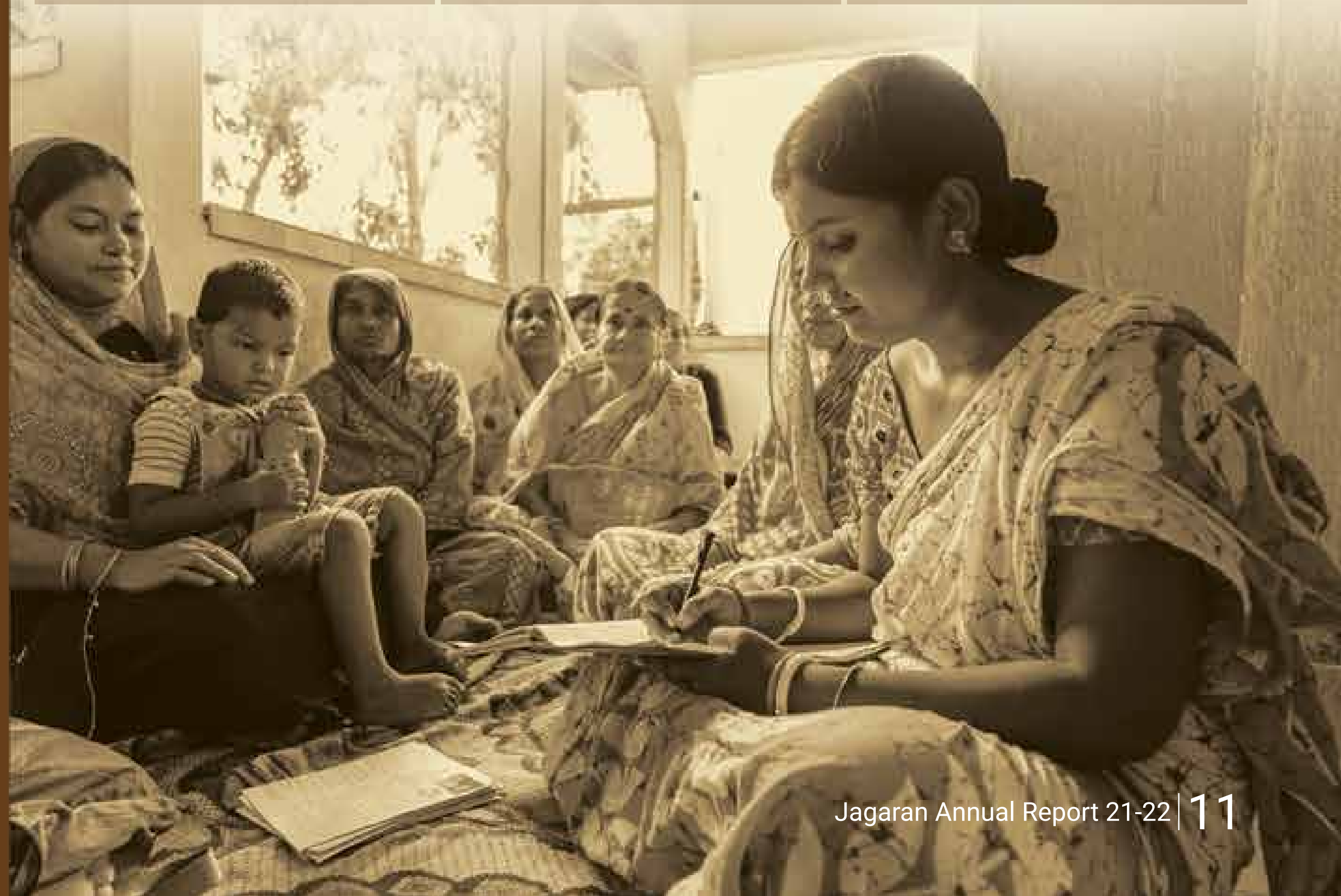
CORPORATE GOVERNANCE

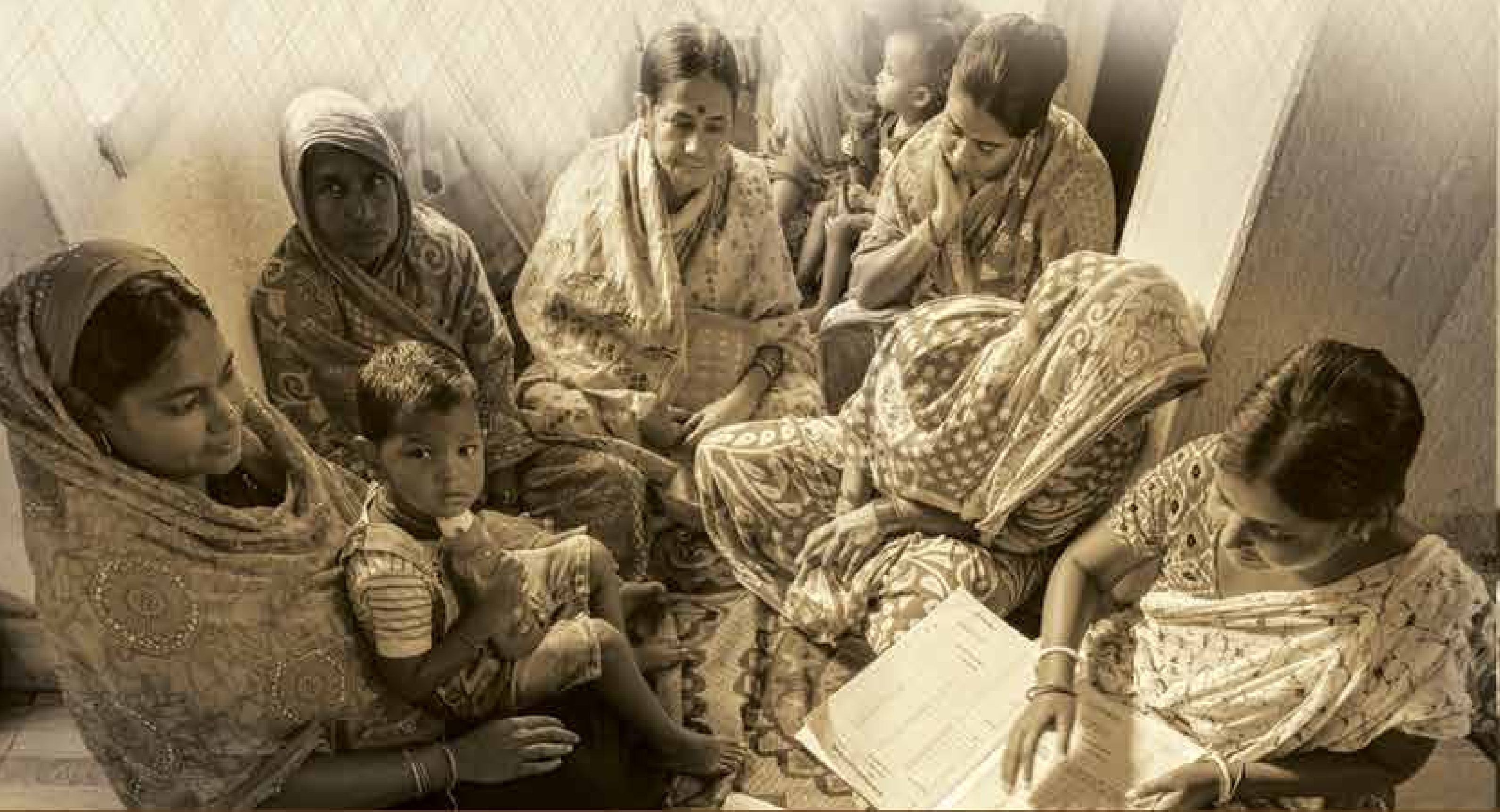
Resilient through the COVID-19 pandemic, Jagaran has now embarked on a path to find its balance in the field of microfinance. Indeed, this year we have focused on improving the skills of our employees and consolidated our strategies to investigate and eradicate financial irregularities or fraudulent activities. We also have remained in compliance with the SEBI and RBI guidelines regarding microfinance firms.

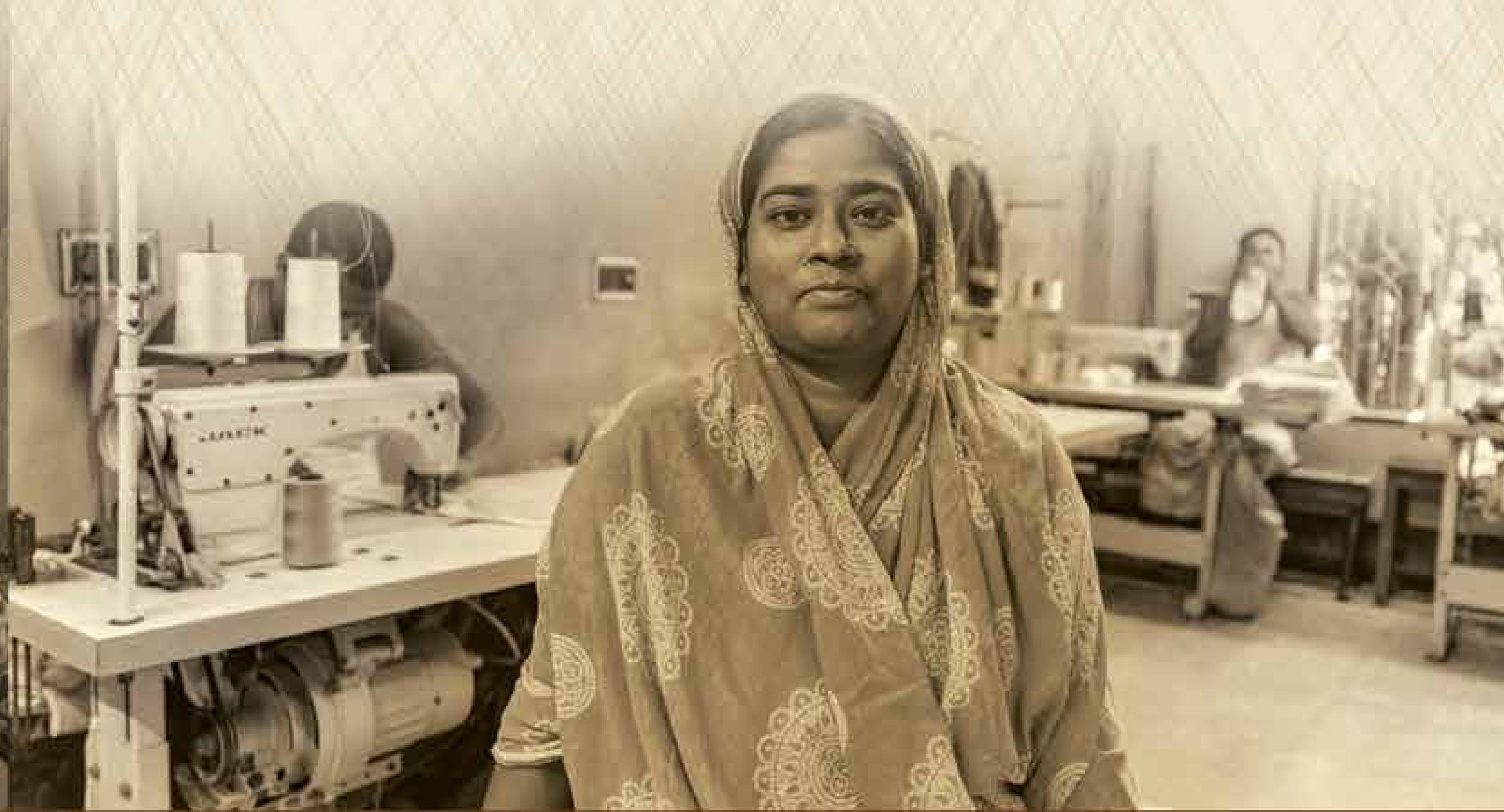
Accreditations

We are proud to state that due to the concerted efforts of Jagaran's team and the vision of our adroit management, we have received the following accreditations for this financial year that ended on March 31, 2022.

Rating Agency	Rated for Jagaran	Scale (High to Low)
MFI Grading		**14th September, 2021**
SMERA Ratings	M2 (Second from top)	M1 to M8
Bank Loan Facilities		**January 15, 2021**
Acuite Ratings	BBB+/Stable (Triple B plus)	AAA to D
Code Of Conduct (Comprehensive Grading)		**14th September, 2021**
SMERA Ratings	C2 (Second from top)	C1 to C5
NCD Rating (Credit Rating for Rs. 77 Cr NCDs)		June 04, 2021
ICRA Ratings	BB+(Stable)	AA to C

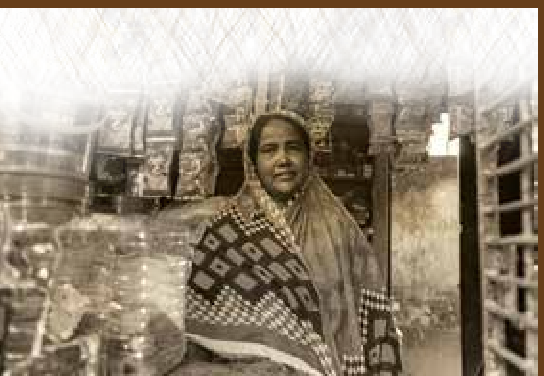






CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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 establishment, Jagaran has strived towards the empowerment of women, in turn also improving the socio-economic conditions of their family members. We primarily work in the realms of education, health and skill-based employment opportunities to ensure the advancement of socio-economically disadvantaged communities.

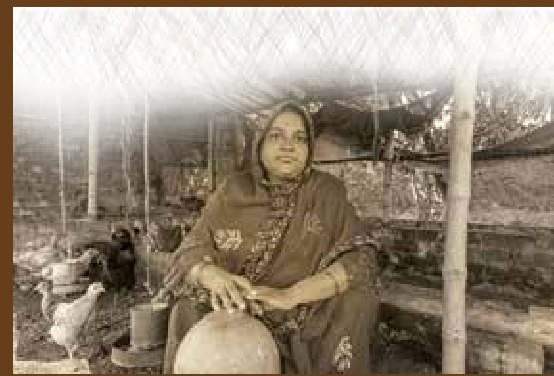


Skill-Based Employment and Community Development

An integral aspect of Jagaran's CSR projects concerns promoting employment schemes among women. To this end, we arrange many Skill Development Programmes for women in rural and semi-urban India, which should enable them to gain employment in cottage and handloom industries. This financial year, we have organised Tailoring projects as part of our Skill Development Programmes in 14 districts across all 5 states where we operate, in order to develop tailoring skills among women there.

Additionally, we assemble Financial Literacy and Inclusion Programmes in our Awareness Camps to spread information, especially among women, about the myriad of employment opportunities they can access. Indeed, this year we have successfully held such Awareness Camps across all 5 states. Furthermore, we have commenced with programmes such as Bondhu, along with Women's Day Awareness Camps, to ensure that our stakeholders and their communities remain cohesive, vibrant and aware of their socio-economic situations and avenues of progress.

Entrepreneurship Development



A large number of women living and/or working in rural and semi-urban India are critical to the robustness of its growing cottage and handloom sectors. Seeking more such enthusiastic participants in the country's economy, we organise Entrepreneurship Development Programmes (EDP) for women who are interested in undertaking such training. Benefitting from such workshops, our participants stand in a much improved position with respect to finding employment opportunities in handicraft and handloom enterprises.

In 2021-22, we have held a Beautician Course as part of our EDP programme in Kishanganj, Bihar. This course, along with our Tailoring Programmes, provides our target groups the wherewithal and detailed information regarding different fabrics and stitching techniques.

Group Leadership Training Programmes

The mark of a progressive group is the mettle of its leader. Able leaders set clear goals, embody reliability and inspire excellence among their group members. Most importantly, group leaders cultivate collaboration, cooperation and community values in their groups. Therefore, we at Jagaran devote ourselves to promoting collective interactions and camaraderie within and across communities in order to build and strengthen our networks, which in turn bolster disadvantaged communities. As a joint liability microfinance company, we consistently arrange Group Leader Training Programmes for women to help them acquire leadership qualities and aid their respective communities. Furthermore, we hold felicitation ceremonies to salute those who display exceptional leadership, where they share their stories of struggle and success that stimulate leadership traits along with community values.

Repeating our previous year's feat, in 2021-22 we have successfully orchestrated Group Leadership Training Programmes across all our branches. Foreseeing the imperative of digital literacy to balance, build and bolster our target communities that had been denied access to the digital world, we have put together digital literacy programmes focused on women. Thereafter, the participants have been empowered to spread awareness about digital communication and business in their respective communities, heralding the digital transition.

Social Security Programmes

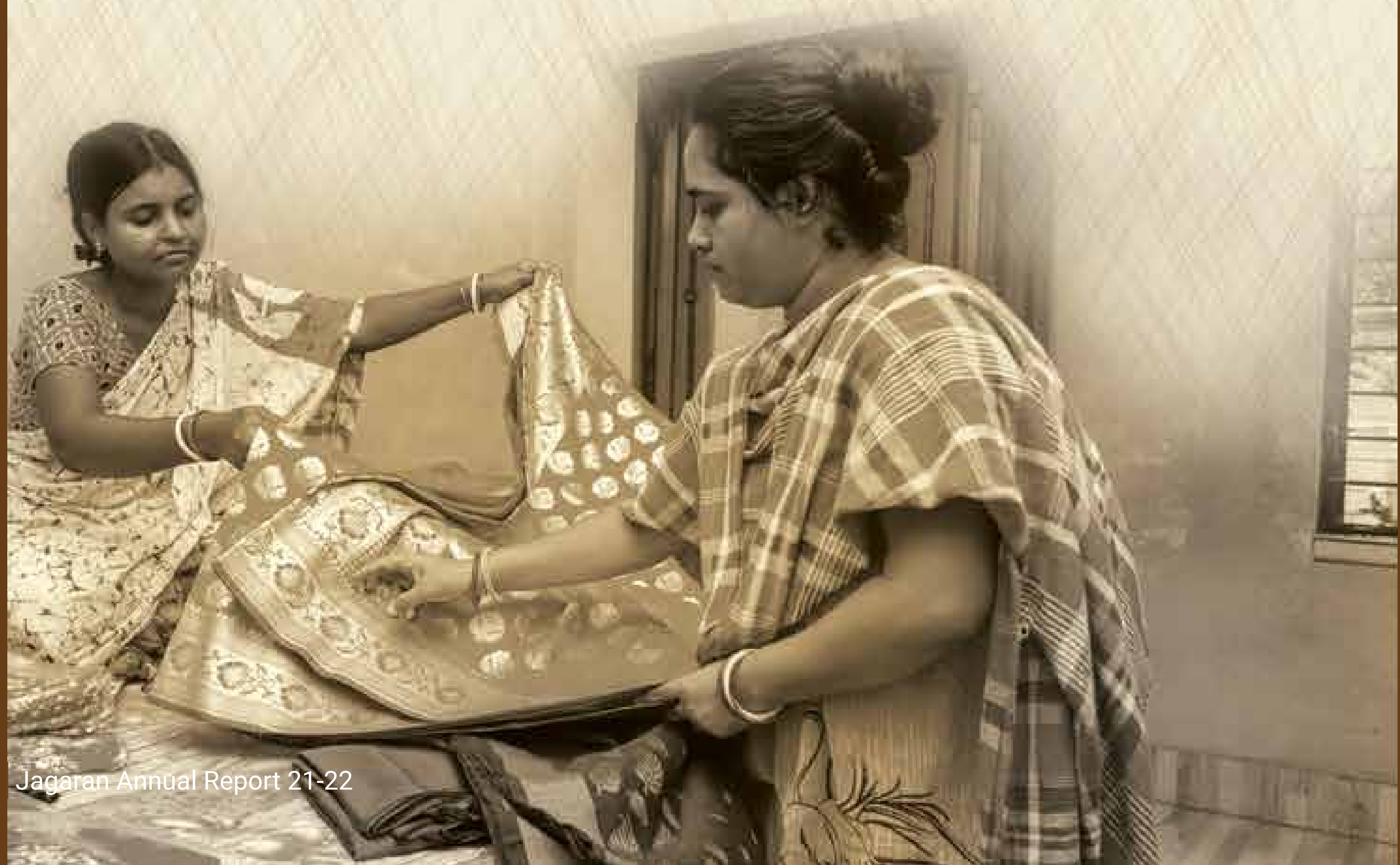
Jagaran, in association with the Central Board for Workers Education, Government of India, has been coordinating Social Security Programmes through two-day Awareness Camps for women in the rural and semi-urban informal labour sector. These programmes exclusively comprise the consideration of social-security plans and the related options for women with the ultimate goal of enabling them to be self-sufficient.

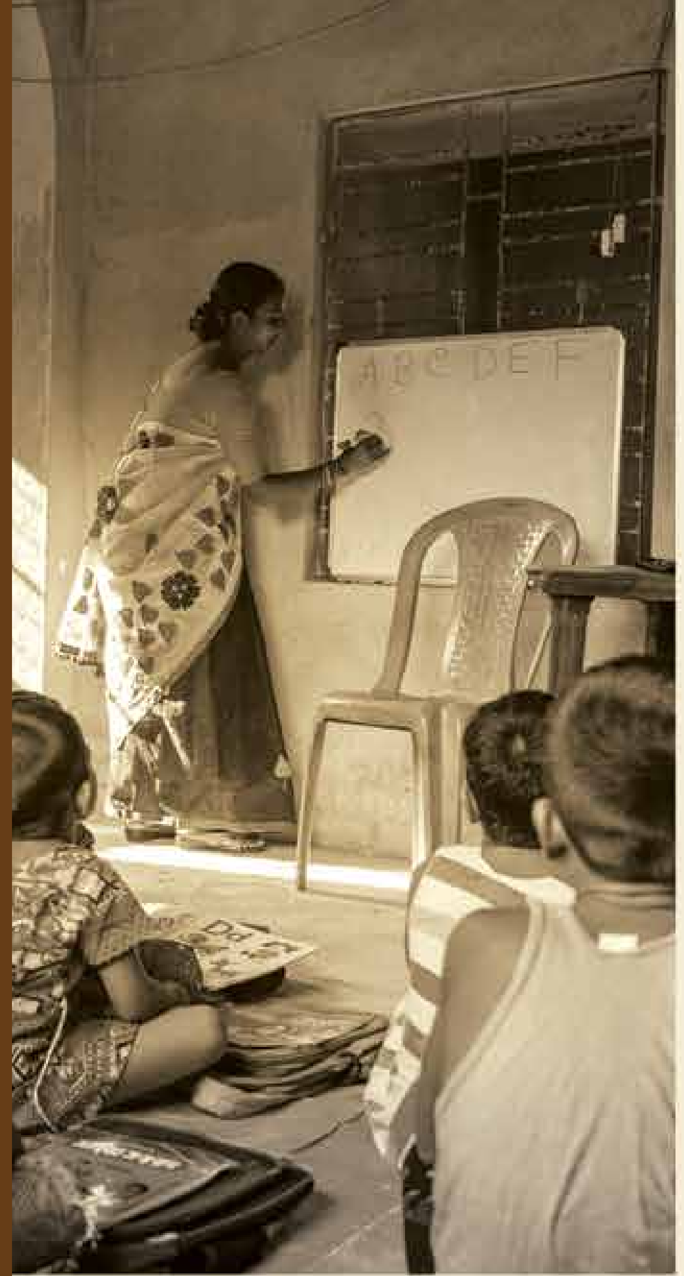
This year, we are proud to have organised Social Security Programmes in 4 districts of West Bengal. After the acute job loss induced by the economic effects of the pandemic, these Programmes have supported women seeking economic assistance, providing a space where they can recount their fights to find economic balance in their lives again.

Health

Jagaran's main aim as a microfinance entity is the comprehensive development of our constituent communities. After rigorous assessments, we have inferred that the lack of affordable healthcare for medical emergencies proves to be a serious threat to the well-being of our clients.

To combat this issue, we have vowed to improve the health of the communities in our focus and hold regular health and awareness drives to achieve the same. After our considerable success in providing basic healthcare, genuine diagnoses and medical advice in the previous financial year, we have held Health Check-up and Awareness Camps in 4 districts of West Bengal and 1 district of Bihar in 2021-22. In these Awareness Camps, we have discussed about the correct uses of masks and sanitisers as part of the 'new normal' COVID-19 protocols. We have also organised successful homoeopathy clinics for the benefit of our stakeholders.





EDUCATION

Education remains an unfulfilled dream for innumerable children in rural and semi-urban India in spite of the various literacy initiatives taken by national and international organisations alike. The situation worsened further when the COVID-19 pandemic rendered schools closed, effectively depriving these children of the education that is essential to their social-emotional and intellectual growth in their formative years. Unlike their digitally literate urban counterparts, children belonging to the underprivileged sectors of society were coerced into dropping out and completely lost touch with academics. Thus, rural and semi-urban India saw a sharp, alarming rise in illiteracy.

We at Jagaran firmly maintain that excellent education for all is the best way to cultivate equality of opportunities and ensure parity and more balanced educational/professional fields for urban and semi-urban/rural children. Hence, we design inclusive learning options in the form of well-researched schemes and endeavours to improve learning possibilities in the educational facilities meant for our stakeholder communities.

Pre-primary Education

The Education for All (EFA) drive by UNESCO foregrounds early childhood education and care for children aged between 3-6 years as the basis of a literate and compassionate world. Once available, good-quality pre-primary education can not only reduce formal school dropouts but more importantly help children hone their cognitive and motor skills, building a strong scaffolding to support their educational development.

Jagaran enables such holistic growth among socio-economically deprived children by organising Pre-primary Education projects. Currently, we help 20 pre-primary schools in 13 districts across rural and semi-urban West Bengal, Bihar and Jharkhand. In these schools, we encourage education via participation in a community learning process. This involves both children and their parents taking part in learning with the aid of early educational facilities. To add to regular planned lessons, we organise an array of hands-on activities and sports competitions so that children remain eager to come to school, enjoy what they learn and develop lasting friendships/group affinities.

Merit-Based Scholarship Programme

Even as they can access free early education, most students from underprivileged communities face the acute shortage of funds for their higher education. Consequently, they are excluded from jobs and livelihood opportunities that could facilitate their upward mobility.

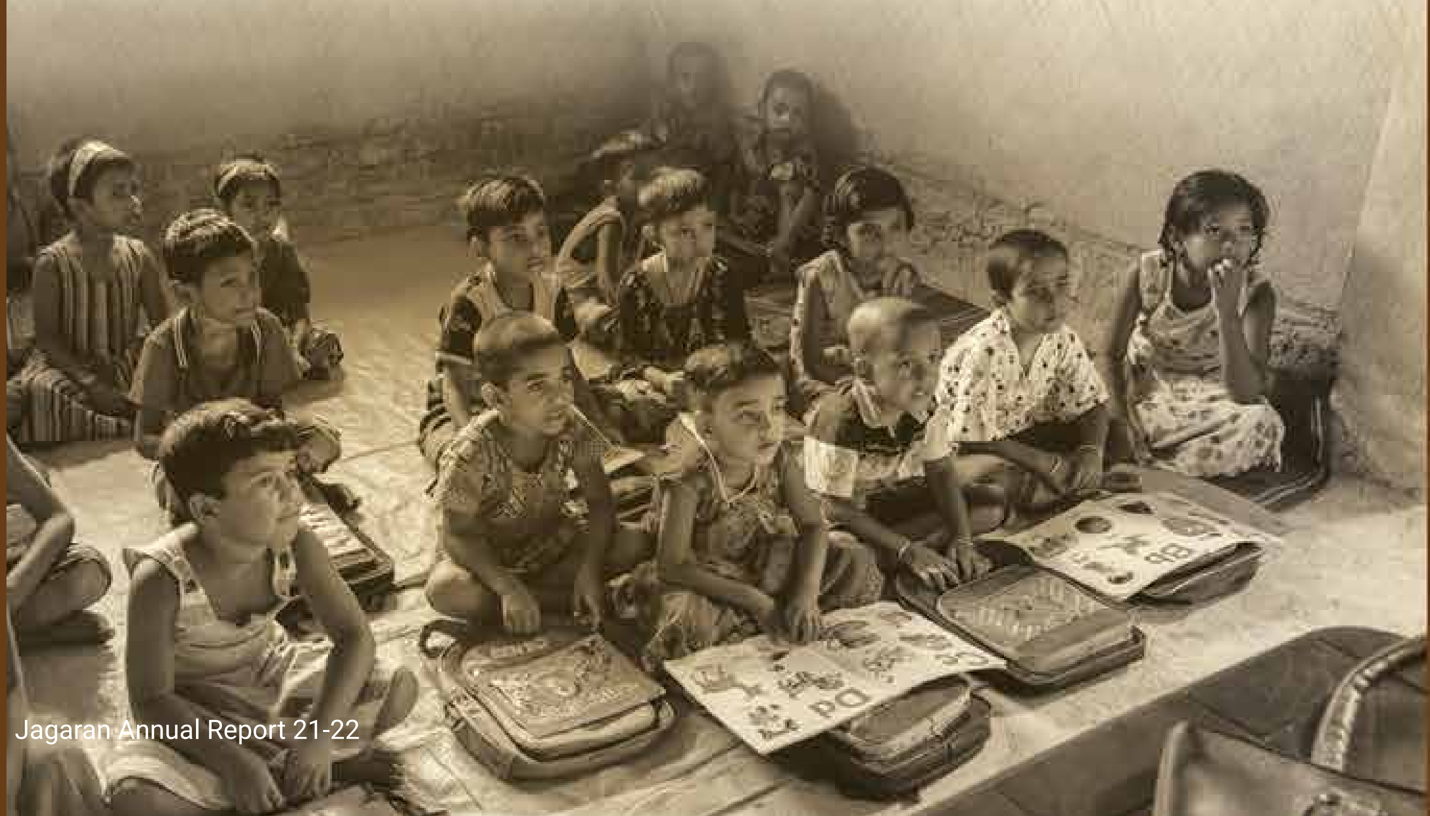
To alleviate such inequity, Jagaran provides financial support to meritorious but disadvantaged Secondary and Higher Secondary students. In 2021-22, through our Merit-Based Scholarship Programme, we have issued scholarships to several promising students across all 5 states where we work.

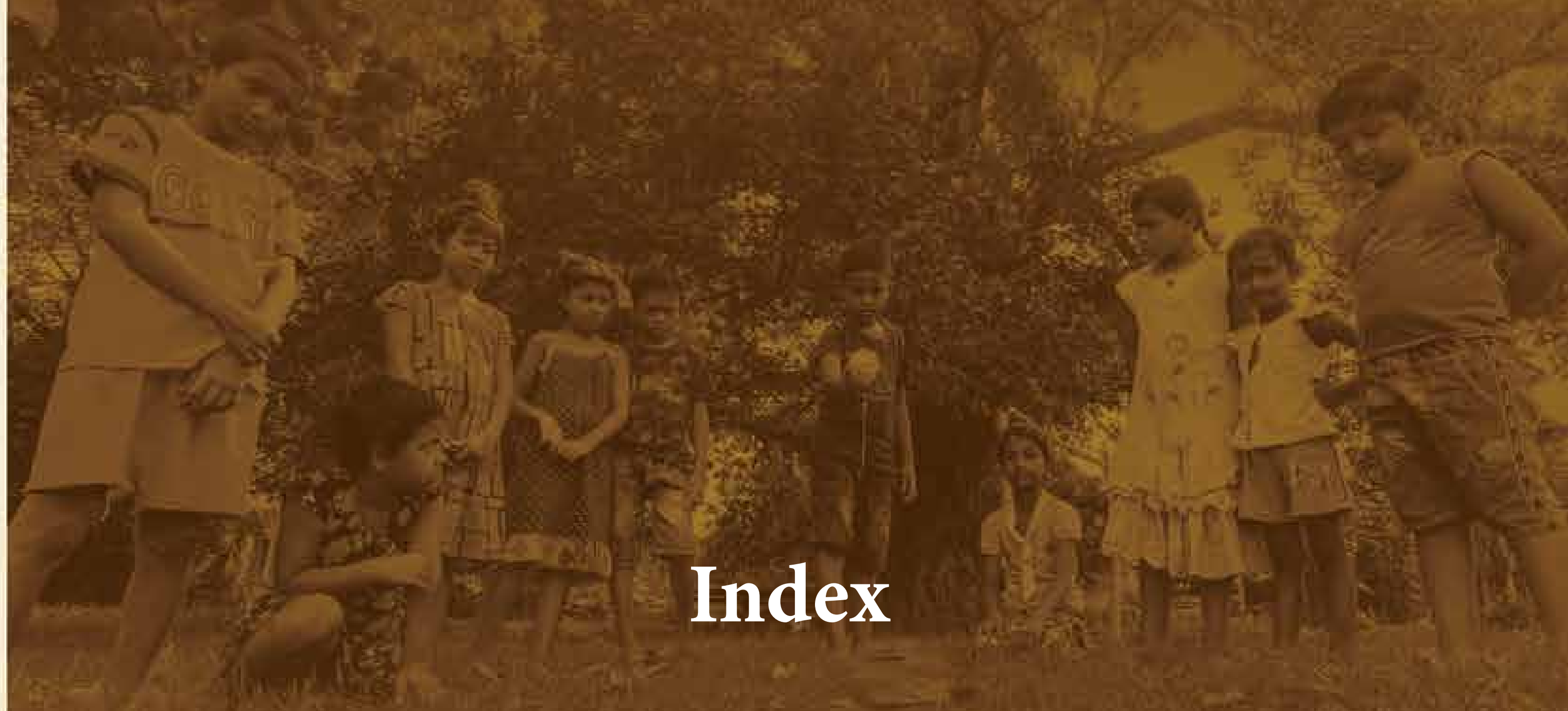
Relief Work and Donation

Natural calamities, like economic watersheds, have the worst impacts on the bottom of the socio-economic pyramid. In the aftermath of a natural disaster, the need of the hour is to begin relief and rehabilitation drives and work with local populations to rebuild and rise, like a phoenix from the ashes of destruction.

In the wake of cyclone Yaas, this year we have organised relief and recuperation projects directed at adversely affected people in rural and semi-urban West Bengal. In our Relief Camps, we have provided much-needed aid to those who had witnessed the destruction of their dwellings and work environments.

Likewise, every year we do our bit to bolster those who are involved in offering mitigation with respect to natural calamities. Even this year we have fulfilled our duty by contributing to the Prime Minister's National Relief Fund (PMNRF), supporting our country's relief and rehabilitation efforts in the wake of calamities.





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CHAIRMAN'S ADDRESS

CHAIRMAN'S ADDRESS

Dear Shareholders, Esteemed Colleagues and Partners,

I am delighted to introduce to you the 12th Annual Report of Jagaran Microfin Pvt. Ltd. for the financial year 2021-22. This year, our resilient revival efforts in the aftermath of the COVID-19 pandemic were aimed at stabilising, consolidating and supporting the precarious livelihoods of the most disadvantaged sectors of society. The upheavals caused by the pandemic, natural calamities and economic turmoil were like a crucible in which our drive to regain our balance was forged.

We have built a strong economy among our customers by being flexible, devoted and mindful to them. In the spirit of balancing the scales, this year we shifted our operations to a digital mode and built the capacities of our own workforce to bolster our microfinance operations.

In FY 2021-22, we prioritised the upgradation of our products with regard to the shifting needs of our customer communities. Moreover, we made planned investments on the skill development and digital literacy of our customers as well as employees. Bringing our client communities and our workforce together, we have created alliances that will endure and bear fruits in the days to come.

As a result, this has been a year of turnarounds and new opportunities for the Jagaran family: the demand for our novel products has witnessed a rise, and our job count has also increased in FY 2021-22.

Along with our CSR activities and various loan schemes, this year we organised many Entrepreneurship Development Programmes, Group Leadership Training Programmes, Social Security Programmes, and Health Check-up and Awareness Camps to impart knowledge about health and hygiene in light of COVID-19 protocols.

We are also helping underprivileged children in 20 pre-primary schools in 13 districts across the states where we operate. Furthermore, we provide financial support to meritorious students who can use such a bolster to shine academically and avail of the best higher educational opportunities. This year, under our Merit-based Scholarship Programme, we have disbursed scholarships to many hardworking students across all 5 states where we work.

To summarise, FY 2021-22 has wrought changes and instilled a hope in us, of striking the right balance after a time of unforeseen distress. We resolutely believe that we must find a middle ground between our core strengths and the opportunities to adapt according to the shifting trends in the field of microfinance. We are confident that our strength and flexibility will help us meet any challenges we may face in the future.

Best Regards,
Dipankar Chatterji

MD'S MESSAGE

While 2021 was harsh on us, we have come back stronger than ever this financial year. We have built on the wreckage left by the pandemic, staying motivated and broadening our horizons to usher in a new year where regaining our balance has been our ultimate goal. Bolstered by our devoted employees, management and our stakeholders, we have achieved amazing turnarounds in our operations as well as finances.

With the government's support and the determination of our customer communities, we have been able to revive the socio-economic prosperity of our rural and semi-urban stakeholders and borrowers. With our job count, profit margin and borrower count steadily going up, we believe we are definitely on the right track of progress.

To summarise, we have gained invaluable experiences in our quest to regain stability and prosperity post-COVID-19. Our journey this year has made us come even closer as a team. Thus, I want to congratulate all of Jagaran's staff for their effort, rigour and indomitable spirit; together, we are dedicated to Jagaran's stability and expansion. Moreover, I express my gratitude to our lenders as well as our stakeholders for their encouraging support toward us. Going forward, I am certain that Jagaran will keep doing and inspiring wonders in India's microfinance sector.

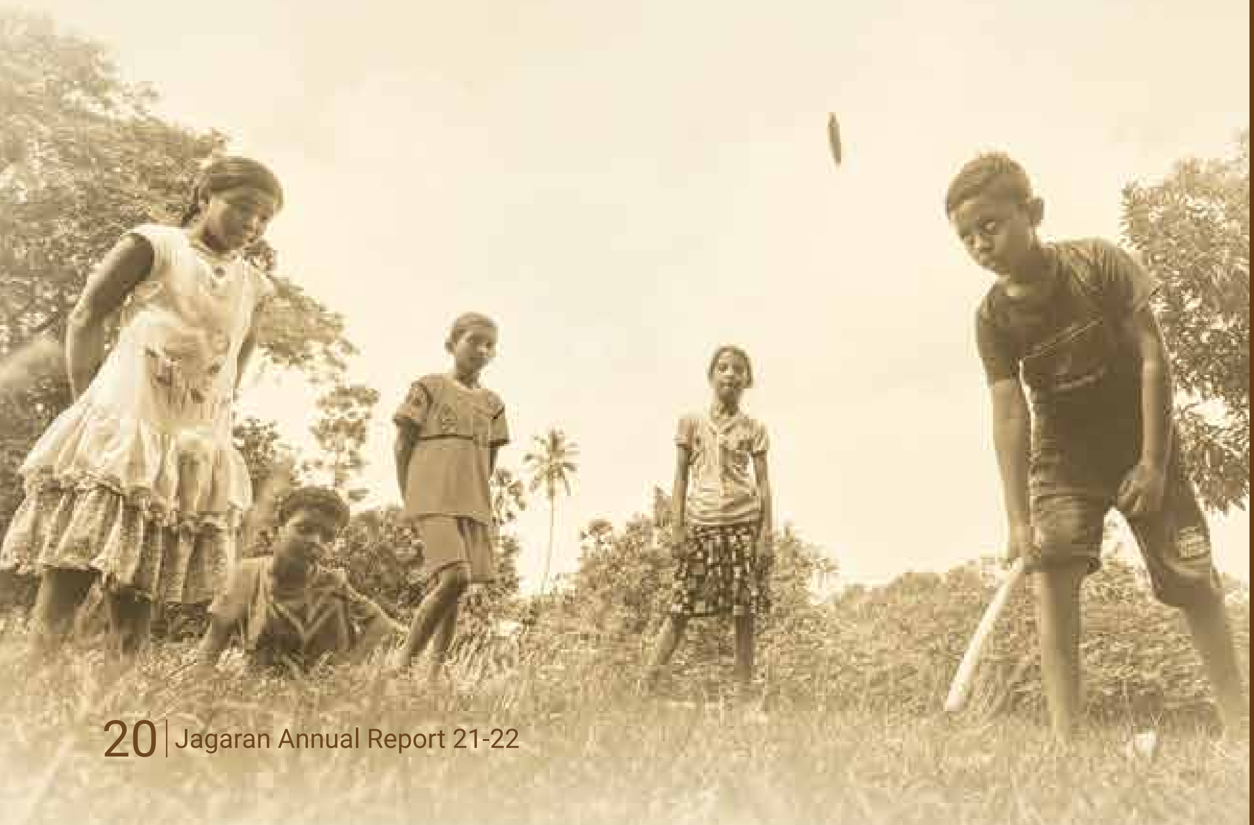
Best Regards,
Sourav Ghosh

CEO'S MESSAGE

For Jagaran, the past year was a game-changer! We were bruised by the pandemic, we were down, but we were never out. Through unrelenting focus on reviving our operations, we have done everything in our power to stay firm and regain our balance as a microfinance organisation. In turn, we can proudly claim that Jagaran's fortunes have brightened and its fortitude has improved manifold! Our team is now robust and lively, our customers are satisfied and increasing, our management is already envisioning a brighter future, and our lenders stand proud.

Inspired by the warmth of every well-wisher, we at Jagaran promise to strive toward the healthy future of underprivileged and disadvantaged rural/semi-urban communities in India. We pledge to work with (and for) our customer communities and, most importantly, to listen to them. Our minds are open to their shifting needs and desires, and we shall strive to turn their dreams into realities.

Best Regards,
Jaydeep Ghosh



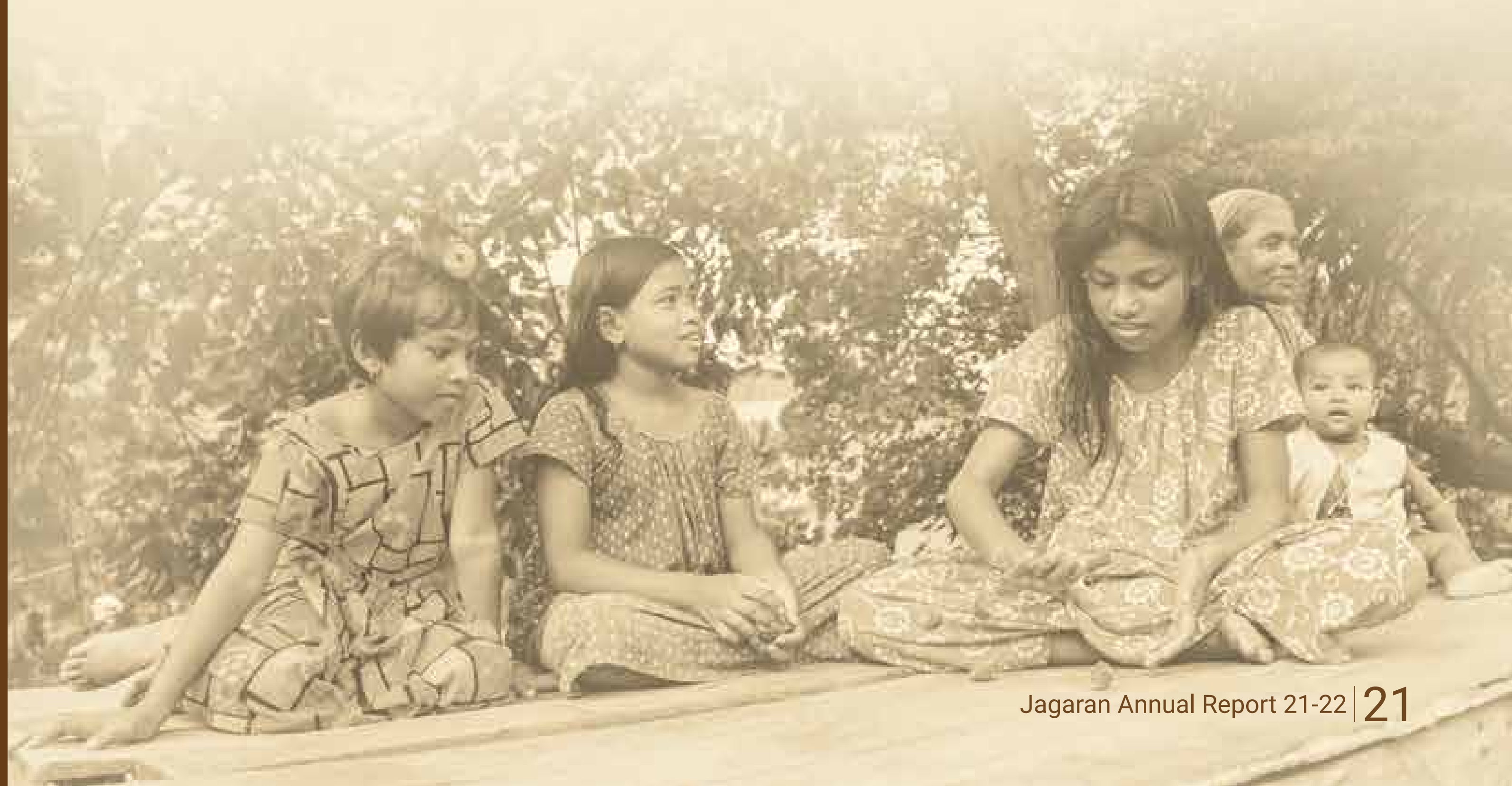
BOARD OF DIRECTORS

Mr. Dipankar Chatterji

A Chartered Accountant with more than five decades of field experience, Mr. Chatterji is currently a Senior Partner with L.B. Jha and Co. Previously, he has been the President (Eastern Region) of the Indo-American Chamber of Commerce and also the Chairman (Eastern Region) of the Confederation of Indian Industry (CII). Moreover, he has been part of the Board of Directors of four nationalised banks, a public sector mutual fund and various expert committees appointed by the Reserve Bank of India, the Government of India and various State Governments.

Mr. Rana Som

Having served as Ex-Chairman and Managing Director of National Mineral Development Corporation Limited and Hindustan Copper Limited, Mr. Som is a corporate chief who has utilised his experience in various organisations and has been instrumental to revival of the two public sector behemoths mentioned above. In addition, Mr. Som has played the role of a Chairman-cum-Managing Director for Hindustan Copper Limited as well as National Mineral Development Corporation Limited.



Mr. Sourav Ghosh

After concluding his Post Graduate Diploma in Management (Marketing) from the Institute of Management Technology, Ghaziabad, Mr. Ghosh has served as the Leisure Markets – Chief Executive Officer of OYO Business. In this role, he has supervised the Business Development, Sales and Operations of OYO Business. Further, he has also worked as a Senior Account Manager for Snapdeal, overseeing its Sales and Marketing department and acting as Key Account Manager in Electronics.

Mr. Jaydeep Ghosh

In the BFSI sector, Mr. Ghosh has gathered more than two decades of invaluable experience. Before joining Jagaran, he has served as Zonal Manager (Eastern India) for Agency Development in ICICI Prudential Life Insurance, and he has also completed a stint with Axis Bank, in charge of retail banking in its Eastern Zone. Moreover, since the inception of Jagaran till December 2015, he has worked as our COO, before re-commencing this role for a 2nd term from August 2018.

Mr. Pratip Chaudhuri

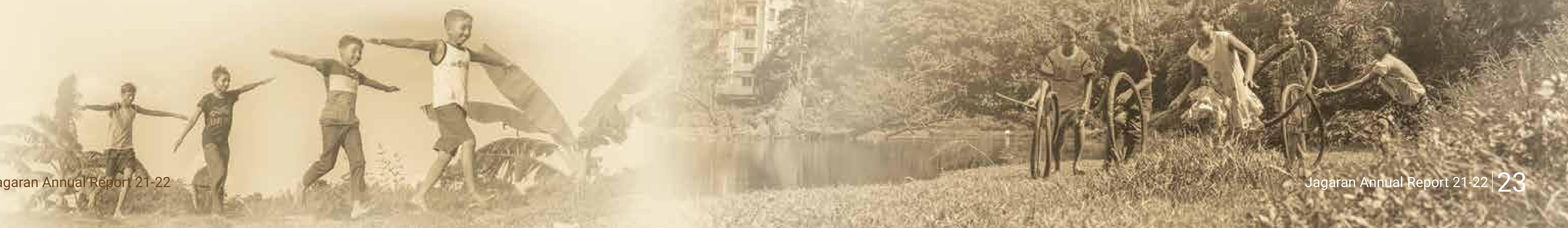
In his illustrious career, Mr. Chaudhuri has been the Chairman of State Bank of India from March 2011 to September 2013 and the Deputy Managing Director (International Banking) of State Bank of India from November 2008 to March 2011. Additionally, he has played a number of salient roles in SBI, including that of the Chief General Manager of its Chennai circle. He has been instrumental in the merger of the State Bank of Saurashtra in 2008, where he served as a Director. Furthermore, he has also played the role of Director for Spencer Retail Saurashtra (in 2008) as well as that of the 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

Ms. Ghosh, a renowned architect and urban planner, is the Chairperson of Development Consultants Private Limited (DC Group) and also the Principal Partner of Development Architects Private Limited. In this regard, she has designed several projects at both national and international levels. She completed her Bachelor of Architecture from Jadavpur University in India. Thereafter, she achieved a Master's degree in Architecture with a specialisation in Urban Design from the University of Pennsylvania, USA. Commencing her career with The Kuljian Corporation in Philadelphia, USA, she has also served as the Managing Trustee of the Suresh Amiya Memorial Trust and as the President of the Board of Governors in The Economic & Entrepreneurship Development Foundation (that oversees Sri Aurobindo Seva Kendra).

Ms. Aatreyee Majumder

A Master of Science, Economics and International Financial Economics from the University of Warwick with immense experience in academic projects, Ms. Majumder is now an NSE-certified Capital Market professional. She completed her Master's degree in Economics from Calcutta University in India and has also served as Facilitator of the Department of Social Work & National Service Scheme (NSS) (from 2010 to 2013). Ms. Majumder is a young and impassioned professional, who uses her educational background and her experience of working with a non-profit organisation (dealing with underprivileged children) to help Jagaran's operations bear the desired results.



“There is no power for change greater than a community discovering what it cares about.”

- Margaret J. Wheatley

NOTICE OF 12TH ANNUAL GENERAL MEETING

Notice is hereby given that the 12th Annual General Meeting of the shareholders of **Jagaran Microfin Private Limited** (the 'Company') will be held on **Thursday, June 30, 2022 at 1100 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 on March 31, 2022 together with the Auditors' report and Boards' Report thereon.
2. To appoint a director in place of Mr Jaydeep Ghosh, who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, offers for re-appointment.

   Mr Jaydeep Ghosh is not disqualified from being appointed as a director in terms of section 164 of the Act. He 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, Mr Jaydeep Ghosh, who retires by rotation, be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS

3. To appoint Mr Subrata Gupta (DIN - 06833844) 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 & Remuneration Committee and the Board of Directors, Mr Subrata Gupta (DIN - 06833844), 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 Subrata Gupta'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 11.04.2022 to 10.04.2027.

   RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized 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."

4. To appoint Mr Sandip Das (DIN : 09345602) as Non-Executive Non-Independent Director of the Company

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

   "**RESOLVED THAT** pursuant to the provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr Sandip Das (DIN : 09345602) who was appointed as an Non-Executive and Non-Independent Director of the Company pursuant to the provisions of Section 149, 152 and 161 of the Act and who holds office upto the date of this General Meeting is hereby appointed as Non-Executive and Non-Independent Director of the Company, liable to retire by rotation 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.

   "**RESOLVED FURTHER THAT** Ms Tanusree Ghosh, Company Secretary be and is hereby authorised to sign and submit the requisite e-form to Ministry of Corporate Affairs (MCA) within such time and period as prescribed by the Companies Act, 2013."

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: 05.06.2022

NOTES:

- A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not to 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/authorized representatives are requested to submit the attendance slips duly filled in for attending the meeting. Members are requested to write their folio number in the attendance slip for attending the meeting.
- 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. 3

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 Subrata Gupta (DIN - 06833844), for the office of Independent Director of the Company.

Mr Subrata Gupta (DIN - 06833844) was the Managing Director of NABFINS Limited and have been associated with diverse projects in the area of rural development implemented by NABARD. He has mainly worked in the fields of project finance, rural infrastructure, micro finance, financial inclusion and banking technology, Information Technology, and in the internal training system of NABARD as a faculty member. At present he is working as a consultant to NABCONS in the area of Food Processing and Agri-infrastructure.

In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Mr Subrata Gupta fulfils the conditions specified in the Act for her appointment as an Independent Director. After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that Mr Subrata Gupta'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 Subrata Gupta as an "Independent Director", not liable to retire by rotation for a period of five consecutive years w.e.f. 11.04.2022 to 10.04.2027, for your approval.

Mr. Subrata Gupta 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. Subrata Gupta fulfils the conditions specified in the Act for appointment as an Independent Director.

The Company has also received from Mr. Subrata Gupta:-

(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. Subrata Gupta 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 Subrata Gupta 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 recommends item no. 3 for consideration and approval of the shareholders.

Item No. 4

Mr Sandip Das (DIN : 09345602) was appointed by the Board of Directors as Non-Executive and Non-Independent Director of the Company on 11.04.2022, holds office only till the date of the forthcoming General Meeting, and is eligible for appointment.

Mr Sandip Das (DIN : 09345602) is a Chartered Accountant with wide experience. At present he is associated with GTFS Multi Services Limited and Astha Insurance Services Private Limited in the position of Director.

Requisite Notice under Section 160 of the Act proposing the appointment of Mr Sandip Das has been received by the Company and consent has been filed by Mr Sandip Das pursuant to Section 152 of the Act.

Mr Sandip Das holds 25000 shares (0.051%) in the Company, in his individual capacity. Mr Sandip Das is not disqualified from being re-appointed as a director in terms of section 164 of the Act. 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. 4 for consideration and approval of the shareholders.

By order of the Board
For **Jagaran Microfin Private Limited**

Tanusree Ghosh
Company Secretary

Dated: 05.06.2022

BOARD REPORT TO MEMBERS

For the Financial Year ended on 31st March, 2022

Dear Members,

The Board of Directors are pleased to present the **12th** Board Report along with the audited financial statement of your Company registered with the Reserve Bank of India dated 27th September'2013 under the provisions of the **NBFC (Reserve Bank of India) Directions, 1998 as non-Deposit accepting NBFC-MFI vide Registration No. B.05.00998.**

The year **2021-22** 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 ostracization 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.

At Jagaran Microfin Private Limited, 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 employees 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 RESULTS OF THE COMPANY

The year under review was a challenging year for the Company which was severely hit by the pandemic leading to further stress on the portfolio particularly during the initial quarter and therefore the focus was mainly on recoveries.

The Company had made substantial provisions to address this crisis and identified a set of borrowers, who, as on March 31st, 2022 did not demonstrate the ability to pay back their dues, in spite of best efforts.

They recorded a declining trend in repayments, did not repay either principal or interest in the last quarter of the Financial Year 2021-22 and were considered fit for write off.

However, your Board of Directors have also taken steps to ensure recovery of such bad / written off loans to the extent possible. Moreover, on a positive note we were able to book profits in the FY 2021-22 as against loss incurred in the previous FY 2020-21. Further your Board of Directors are continuously looking for avenues for future growth of the Company.

Financial Results of your Company for the year under review are summarized as under:

Financial Results

(₹ in lakhs)

Particulars	FY 2021-22	FY 2020-21
Profit before Tax Depreciation & Provision	550.87	2375.69
Less: Depreciation	36.87	49.90
Provision as per RBI norms	-	2999.98
Profit/(Loss) before Tax	**514**	**(674.19)**
Less: Provision for Taxation	-	-
Current Tax	-	544.24
Deferred Tax	149.35	(727.58)
Profit/(Loss) after Tax	**364.65**	**(490.85)**
Other Comprehensive Income adjustments	1.50	5.42
Profit/(Loss) transferred to Reserve	**366.15**	**(485.43)**
Profit Brought forward	2187.62	3059.42
Amount available for Appropriation	2553.77	2579.41
Appropriations	-	-
Transfer to Statutory Reserve	72.93	-
Dividend Paid @30%	-	386.37
Corporate Dividend Tax	-	-
Balance Carried to Balance Sheet	2480.84	2187.62
Liabilities and Equity		
Financial Liabilities	-	-
Payables	64.07	247.75
Debt Securities	4304.74	6309.52
Borrowings	23992.03	24304.79
Subordinated Debt	500.42	500.43
Other Financial Liabilities	188.67	209.00
Non-Financial Liabilities		
Current Tax Liabilities (Net)	-	339.37
Provisions	108.21	131.36
Other Non-financial liabilities	34.76	39.21
Equity		
Equity Share Capital	4829.62	4829.62
Other Equity	4541.59	4175.44
Total Liabilities and Equity	**38,564.11**	**41086.49**

1. FINANCIAL RESULTS OF THE COMPANY (Contd.)

Financial Results (Contd.)

(₹ in lakhs)

Particulars	FY 2021-22	FY 2020-21
Assets		
Financial Assets		
Cash and Cash equivalents	3159.72	1922.28
Bank balances other than Cash/Cash equivalents	4197.20	4351.43
Loans	29743.96	32112.05
Other Financial Assets	288.32	1464.88
Non-Financial Assets		
Current Tax Assets(Net)	155.53	57.36
Deferred Tax Assets(Net)	852.53	1002.39
Property, Plant and Equipment	66.20	92.26
Other intangible Assets	25.79	29.48
Other Non-financial Assets	74.86	54.36
Total Assets	**38,564.11**	**41086.49**

2. REVIEW OF THE BUSINESS OPERATIONS

Particulars	FY 2021-22	FY 2020-21
Number of branches	135	139
Number of borrowers	1,46,546	1,80,620
Number of employees	787	802
Number of states	5	5
Number of districts	33	35
Number of villages	3815	3,861
Amount disbursed (Crore)	208.44	269.10
Gross Portfolio outstanding (Crore)	305.22	357.59

3. DIVIDEND

The Board of Directors of your Company after considering the relevant circumstances comprehensively have decided that it would be prudent not to recommend any dividend for the FY 2021-22.

4. AMOUNT TRANSFERRED TO STATUTORY RESERVE

During the year under review the Company incurred profit and accordingly amount of Rs. 72.93 lakh has been transferred to Statutory Reserve as required (20% of Profit after tax) under Section 45-IC of RBI Act, 1934.

5. CAPITAL ADEQUACY

The Company maintained a healthy **Capital Adequacy Ratio (CRAR) of 26.30%**, as accounted on March 31, 2022. The minimum capital adequacy requirement by RBI is 15%.

6. RESOURCE MOBILIZATION (TERM LOAN)

During the year under review, the Company raised a sum of **INR 193.50 Crore** by way of long-term loans.

Funding received from Banks (in INR) : 188.50 Cr.

Funding received from other FIs (in INR) : 5.00 Cr.

7. REGULATORY AUTHORITIES

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

8. CHANGE IN NATURE OF BUSINESS

There has been no change in the nature of business of the Company. Jagaran Microfin Private Limited continues to lend to women in semi urban and rural areas through the Joint Liability Group (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 FINANCIAL YEAR 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. 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 31st, 2022 by rating agencies.

GRADE / RATING ATTRIBUTED TO JAGARAN MICROFIN PVT LIMITED	RATING AGENCY
M2C2	SMERA, widely known as the SME Rating Agency of India, has assigned this M2C2 Grading, which happens to be the second highest grading on the eight-point evaluating scale. The Grading was awarded via a letter dated 11-01-2021.
BB+	This Rating has been assigned by ICRA for Long Term Instruments-NCD to the tune of INR 77.00 Crore.
BBB+	Your Company has been assigned this rating by Acuité Ratings & Research Limited on Bank Loans of INR 400.00 Crore during the FY 2021-22

11. CAPLTAL STRUCTURE- RAISING OF FUNDS/ INFUSION OF EQUITY CAPITAL

The capital structure of your Company is given under:

Equity

Authorized Share Capital	Issued, Subscribed and Paid-up Share Capital
Rs. 75,00,00,000.00	Rs. 48,29,62,000.00

Equity: No fresh Equity Shares/Preference shares were issued during the year under review FY 2021-22.

Non- Convertible debenture: No fresh NCDs were issued but Redemption of Rs. 19.25 Crore took place during the FY 2021-22.

12. 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.

13. PUBLIC 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. As per Non-Banking Finance Companies RBI Directions,1998, the Board of 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 under review.

14. 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 Notes to the Financial Statements, and further the Company has not provided any guarantee under Section 186.

15. CHANGES IN THE COMPOSITION OF BOARD OF DIRECTOR

- 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 27th, 2021 to June 26th, 2026 and also as Non-Executive Independent Chairman of the Company.
- Mr. Rana Som has been appointed as Independent Director of the Company, to hold office for a term of five consecutive year commencing from September 28th, 2021 to September 27th, 2026.
- Mr. Pratip Chaudhuri has resigned from the position of Independent Director of the Company's Board of Directors and Committee/s with effect from March 04th, 2022.

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Jaydeep Ghosh being Whole-time Director retires by rotation in terms of Section 152 of the Companies Act, 2013 and offers himself for re-appointment as Director of the Company. Declaration under section 164 (2) of the Companies Act, 2013 had been received stating he 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;

17. INDEPENDENT DIRECTORS' DECLARATION

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

a) Mr. Dipankar Chatterji
b) Mr. Rana Som
c) Ms. Shanta Ghosh

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

18. DISCLOSURE OF NOMINATION & REMUNERATION CRITERIA FOR DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Further composition of the Nomination & Remuneration Committee and other details are also provided in the Para pertaining to Corporate Governance which forms part of this report.

Mr. Jaydeep Ghosh being Whole-time Director retires by rotation in terms of Section 152 of the Companies Act, 2013 and offers himself for re-appointment as Director of the Company based on eligible criteria. Declaration under section 164 (2) of the Companies Act, 2013 had been received stating he 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;

The Remuneration paid to Whole-time Directors (includes 2 Whole-time Directors and the Managing Director) during the year under review was **INR 1,10,76,756.00**.

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 2021-22 is **INR 14,17,000.00** (this amount includes the charges for the Meetings of the Board of Directors and the Committee of Directors).

19. 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 31st, 2022, the Board consists of **six (6)** members, which includes **three (3)** Executive Directors and **three (3)** Independent Directors. 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 decides the remuneration of Executive Directors on the basis of following criteria;

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

20. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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.

21. CORPORATE GOVERNANCE

(i) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your 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.

(ii) BOARD OF DIRECTORS

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The notice of Board meeting is duly given to all the Directors. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

a) Composition, Category of the Board of Directors

As on March 31st, 2022, the Board of the Company consisted of six (6) Directors, of which three were Independent Directors, (including a Woman Director) and three (3) were Executive Director, including the Managing Director.

The composition of the Board is in conformity with the Companies Act, 2013. The composition of the Board, other directorships of the Board members, number of Board Meetings held along with the attendance of the Directors during the Financial Year 2021-22 along with the details of Committees of the Board, its membership and terms of reference are contained hereunder:

Sl No.	Name of Director	Category	No. of Directorship in other Companies (as on 31-03-2022)
1	Mr. Dipankar Chatterji	Independent Director	12
2	Mr. Rana Som	Independent Director	4
3	Ms. Shanta Ghosh	Independent Director	10
4	Mr. Jaydeep Ghosh	Whole-time Director	NIL
5	Mr. Sourav Ghosh	Managing Director	NIL
6	Ms. Aatreyee Majumder	Whole-time Director	NIL

b) Number of meetings and attendance of the Board of Directors

The Board met **Five (5)** times in financial year 2021-22. The maximum interval between any two meetings did not exceed 120 days.

Sl No.	Date of Board Meeting	Place of Meeting	No. of Members attended the Board Meeting
1.	10.09.2021	Kolkata	6 out of 7
2.	20.09.2021	Kolkata	5 out of 6
3.	28.09.2021	Kolkata	6 out of 7
4.	11.11.2021	Kolkata	6 out of 7
5.	12.02.2022	Kolkata	6 out of 7

(iii) AUDIT COMMITTEE

The Chairman of the Committee is an Independent Director. During the financial year 2021-22, the Committee has met **Five (5)** times. The composition of the Audit Committee and the brief terms of reference are shown below:

Sl No.	Date of Meeting	Place of Meeting	No. of Members attended the Meeting	Members of the Committee
1.	10.09.2021	Kolkata	3 out of 4	Mr. Rana Som Mr. Dipankar Chatterji Ms. Shanta Ghosh Mr. Pratip Chaudhuri
2.	20.09.2021	Kolkata	2 out of 3	
3.	11.11.2021	Kolkata	3 out of 4	
4.	25.01.2022	Kolkata	2 out of 4	
5.	12.02.2022	Kolkata	3 out of 4	

Brief Terms of Reference of Audit Committee:

a) To review the Financial Reporting, ensuring the correctness & suitability of Financial Statements.

b) Recommendation of Internal and External Auditors, scope of their Audits and Audit reports to the Board.

c) To review the functioning of the whistle-blower mechanism.

d) Reviewing and scrutinizing with management the periodic financial statements/results before submission to the Board, focusing primarily on:

- matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section (3) of section 134 of the Companies Act, 2013;
- any changes in accounting policies and practices;
- any related party transaction;
- the adequacy of internal audit function;

e) Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

f) To ensure that an Information System Audit of the internal systems and processes is conducted yearly to assess operational risks faced by the Company.

g) To carry out any other function as is mentioned in the terms of reference of the Audit Committee.

(iv) NOMINATION AND REMUNERATION COMMITTEE

The Chairman of the Committee is an Independent Director. During the financial year 2021-22, the Committee has met **Three (3)** times. The composition of the Nomination & Remuneration committee and the brief terms of reference are shown below:

Sl No.	Date of Meeting	Place of Meeting	No. of Members attended the Meeting	Members of the Committee
1.	28.06.2021	Kolkata	4 out of 4	Mr. Rana Som Mr. Dipankar Chatterji Ms. Shanta Ghosh Mr. Pratip Chaudhuri
2.	10.09.2021	Kolkata	3 out of 3	
3.	28.09.2021	Kolkata	2 out of 2	

Brief Terms of reference of Nomination & Remuneration Committee:

a) To identify the persons who are qualified to become the directors or appointed as Senior Management Personnel and to ensure fit and proper credentials of proposed/ existing Directors.

b) To evaluate the Board of Directors and committees thereof as per the requirements of Companies Act, 2013.

c) To recommend the sitting fee payable to the Independent Directors and to decide the remuneration for the Whole Time Director / Managing Director.

(v) **RISK MANAGEMENT AND ASSET LIABILITY MANAGEMENT COMMITTEE**

During the financial year 2021-22, the Committee has met **Two (2)** times. The composition of the Risk Management committee and the brief terms of reference are shown below:

Sl No.	Date of Meeting	Place of Meeting	No. of Members attended the Meeting	Members of the Committee
1.	06.09.2021	Kolkata	3 out of 3	Mr. Pratip Chaudhuri Mr. Dipankar Chatterji Mr. Rana Som
2.	12.02.2022	Kolkata	2 out of 3	

Brief Terms of reference of Risk Management Committee:

a) To assist in setting risk strategy policies in liaison with management.

b) To review and assess the quality, integrity and effectiveness of the risk management systems and ensure that the risk policies and strategies are effectively managed.

c) To review processes and procedures to ensure the effectiveness of internal systems of control so that decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level.

d) To provide an independent and objective oversight and view of the information presented by management on corporate accountability and specifically associated risks.

e) To review the risk bearing capacity of the Company in light of its reserves, insurance coverage, guarantee funds or other such financial structures.

f) Reviewing the Liquidity Risk and Interest Rate Risk management.

g) Funding and Capital planning.

(vi) **IT STRATEGY COMMITTEE**

The Board of Directors, in compliance with the RBI directions constituted IT Strategy Committee. During the financial year 2021-22, the Committee has met **One (1)** time. The composition of the IT Strategy Committee and the brief terms of reference are shown below:

Sl No.	Date of Meeting	Place of Meeting	No. of Members attended the Meeting	Members of the Committee
1.	06.09.2021	Kolkata	6 out of 6	Ms. Shanta Ghosh Mr. Rana Som Mr. Dipankar Chatterji Mr. Jaydeep Ghosh Mr. Sourav Ghosh Mr. Pratip Chaudhuri

Brief Terms of reference of IT Strategy Committee:

a) To approve the strategy and policy documents and ensuring that an effective strategic planning process has been put in place.

b) To ensure that such process and practices have been implemented so that the IT delivers value to the business.

c) To ensure that the IT investments represent a balance of risks and benefits and that the budgets are acceptable.

d) To monitor and provide direction for sourcing and use of IT resources.

e) To ensure a balance between IT investments and exposure towards IT risks and controls.

f) To oversee the implementation of new software and to monitor the progress of the project and the milestones to be reached according to the project timetable.

g) To ensure due compliance of RBI Master Direction DNBS.PPD.No.04/66.15.001/2016-2017.

(vii) **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

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

During the financial year 2021-22, the Committee has met **One (1)** time. The composition of the Corporate Social Responsibility committee and the brief terms of reference are shown below:

Sl No.	Date of Meeting	Place of Meeting	No. of Members attended the Meeting	Members of the Committee
1.	06.09.2021	Kolkata	4 out of 4	Mr. Rana Som Mr. Sourav Ghosh Mr. Jaydeep Ghosh Ms. Shanta Ghosh

Brief Terms of reference of Corporate Social Responsibility Committee

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

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

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

(viii) **EXECUTIVE COMMITTEE**

During the financial year 2021-22, the Committee has met **Fourteen (14)** times. The composition of the Executive Committee and the brief terms of reference are shown below:

Sl No.	Date of Meeting	Place of Meeting	No. of Members attended the Meeting	Members of the Committee
1.	31.05.2021	Kolkata	3 out of 3	Mr. Dipankar Chatterji Mr. Jaydeep Ghosh Mr. Sourav Ghosh Ms. Aatreyee Majumder
2.	13.08.2021	Kolkata	3 out of 3	
3.	27.08.2021	Kolkata	3 out of 3	
4.	28.08.2021	Kolkata	3 out of 3	
5.	08.09.2021	Kolkata	3 out of 3	
6.	24.09.2021	Kolkata	3 out of 3	
7.	01.10.2021	Kolkata	3 out of 3	
8.	11.11.2021	Kolkata	3 out of 3	
9.	17.12.2021	Kolkata	3 out of 3	
10.	04.01.2022	Kolkata	3 out of 3	
11.	31.01.2022	Kolkata	3 out of 3	
12.	31.03.2022	Kolkata	4 out of 4	
13.	28.03.2022	Kolkata	4 out of 4	
14.	30.03.2022	Kolkata	4 out of 4	

(ix) **CODE OF CONDUCT**

The board has laid down a “Code of Conduct” for all the board members and the senior management and other employees of the Company.

(x) **DISCLOSURE**

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

b. The Company has a Whistle Blower Policy duly approved by the Board.

c. During the year, no expenditure has been debited in the books of accounts which are not for the purposes of business of the Company.

(xi) **MEANS OF COMMUNICATION**

The Annual Report and other statutory information are being sent to shareholders through electronic mode.

(xii) **APPRISE BOARD OF DIRECTORS**

The Company keeps the Directors informed regarding the important developments in reference to the performance of the Company, industry scenario & regulatory changes.

(xiii) **GENERAL SHARE HOLDERS INFORMATION**

a) As per the notice attached to this report, the Annual General Meeting of the Company will be held on **30.06.2022.**

b) The Financial Year of the Company is from **April 1st, 2021 to March 31st, 2022.**

22. 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:

- In the preparation of the annual accounts for the year ended on March 31st, 2022, 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;
- The Directors have selected and applied consistently such accounting policies 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 31st, 2022 and of the profit of the Company for the year ended on that date;
- 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;
- The Directors have prepared the annual accounts on a 'going concern' basis;
- 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;
- 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.

23. 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 and 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 victimization 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.

24. CLIENT GRIEVANCE

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

Particulars	March 31st, 2022	March 31st, 2021
No. of Complaints pending at the beginning of the year	Nil	Nil
No. of Complaints received during the year	7	19
No. of Complaints redressed during the year	7	19
No. of Complaints pending at the end of the year	Nil	Nil

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 or 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. 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 increase 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 2021-22.

27. 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 31-03-2022.

28. 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.

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

During the year under review, the Statutory Auditors and the Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Companies Act, 2013.

30. 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 Auditors' Report about the potential impact of the COVID-19 Pandemic.

31. **AUDITORS**

a) **Statutory Auditors –** M/s Lodha & Co, Chartered Accountants, (Firm Registration Number –302009E), Chartered Accountants was appointed as Statutory Auditors of the Company in the Annual General Meeting held on 01.10.2021. They have confirmed their eligibility under section 141 of the Companies Act, 2013 to carry out the audit for the FY 2021-22.

b) **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.

32. **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.

33. **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.

34. **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.

35. **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, verifying its adherence to various risk parameters and ensures efficacious risk management structure.

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 organization 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.

36. **WEBSITE DISCLOSURE**

Jagaran Microfin Private Limited judiciously follows the website disclosure norms as per extant rules set by Reserve Bank of India and Securities and Exchange Board of India (SEBI).

37. **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**.

38. **CORPORATE SOCIAL RESPONSIBILITY**

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 helping 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). 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 programs and activities. The details of the CSR activities undertaken during the year are given in the report on Corporate Social Responsibility activities which are annexed as **"Annexure 3"** of the Board's Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Acknowledgement:

Your Board of Directors expresses sincere appreciation for 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 Board of Directors takes 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

Place: Kolkata — **Dipankar Chatterji**

Date: 21.05.2022 — Chairman

Annexure 1

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Jagaran Microfin Private Limited ('Company') is incorporated Company duly registered with the Reserve Bank of India as **Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI)**. The Company is primarily engaged in providing microfinance loans to low-income households. The Company focuses its operations in **5 states** in India, through **135 branches** and **787 employees**, as on **March 31st, 2022**. The core business of the Company is to provide small value loans and certain other basic financial services to its clients. These borrowers often have no, or very limited, access to loans from institutional sources of financing. The Company aims to provide financial services at the doorstep of its clients. The borrowers of the Company are predominantly located in rural/ semi urban areas and the Company extends loans to them mainly for use in small businesses or for other income-generating activities.

The Company follows a village-centric, group-lending model to provide unsecured loans to its members. This model relies on a form of 'social collateral', and ensures credit discipline through peer support within the group. The Company believes this model makes its members prudent in conducting their financial affairs and prompt in repaying their loans. In case of failure by an individual borrower to make timely loan repayment, the group will use peer support to encourage the delinquent borrower to make timely repayments or will often make a repayment on behalf of a defaulting borrower, effectively providing an informal joint guarantee on the Borrower's loan.

However, during the FY 2021-22 your Company went through unprecedented times due to COVID-19 and businesses have witnessed turbulence which we had never experienced earlier.

Just when things were crawling back to normalcy after the first wave, we experienced another disruptive second wave which was at its peak during the period May'21 to June'21. The economy again took a hard hit and the Country faced another imposition of lockdowns with strict Covid-19 protocols halting the economic activities. Microfinance sector was not an exception and one of the worst affected sectors in this entire phase.

In spite of difficult circumstances caused by the Covid-19 pandemic, the Company navigated through the challenges by developing alternative communication and collection methods, re-strategizing group models and diversifying our loan offerings to mitigate the difficult circumstances. The Company was able to continue its operations, worked hard to retain its customers, 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.

The portfolio of the Company stood at **INR 305.22 crore** at the end of the FY 2021-22. The Company achieved the **Tier-I Capital of INR 84.93 crores** with a rating of **BBB+' by Acuité Ratings & Research** on bank loans rating of **INR 400 Crore.**

The Company has raised funds of about **INR 193.50 Crore** through various sources during the FY 2021-22. The Net worth of the Company as on March 31st, 2022 stood at **INR 93.72 Crores** while the revenue collected amounted to **INR 87.38 Crore.**

INDUSTRY SCENARIO

The country's growth has led to a rise in financing needs. Non-Banking Finance Companies-MFIs (NBFC-MFIs) form an integral part of the country's financial system because of their complementary as well as competitive role. They act as a critical link in the overall financial system catering to a large market of niche customers. In spite of strong competition faced by the NBFCs, the inner strength of NBFC-MFIs viz local knowledge, credit appraisal skill, well trained collection machinery, close monitoring of borrowers and personalized attention to each client, are catering to the needs of the rural and semi urban area, enabling the Government and Regulators to further the mission of financial inclusion. The sheer size of the market in terms of financially excluded households presents large opportunities for a business model that offers sustainable credit to the unbanked or underbanked areas. The financial inclusion schemes introduced by the Government complement the existing MFI outreach.

In the recent past the MFI industry had gone through challenging times as was deeply impacted by the COVID pandemic across the country leading to temporary halt in the business operations. This sector has shown its resilience to navigate and bounce back successfully to withstand such tumultuous times. There was a gradual improvement in collection efficiencies and disbursements. After an estimated 7.3% GDP contraction in 2020-21, the economy is estimated to have grown 8.1% in the year 2021-22.

This sector continues to improve its portfolio quality while maintaining lower delinquency post 2nd wave. Going ahead the asset quality is anticipated to get better with better repayments and collection efficiency getting closer to normalized levels. This improvement is firmly backed by the economy's recovery. There have been noticeable signs of recovery across sectors after the pull out of lockdown restrictions coupled with the Government's fiscal stimulus measures. This improvement strongly indicates the resilient customer base. Going further, Government's fiscal stimulus added to the easing out of liquidity position which further added to the increase in disbursements back to its pre-COVID growth levels.

The Government and the RBI intervened to support NBFC-MFIs through loan moratorium on borrowing and liquidity support through various Credit schemes like CGS. Additionally, it also recognised the role of credit in recuperating the low-income households' livelihoods and NBFC-MFIs were appropriately enveloped under the role of the essential services category. This played a significant role in easing out the operations.

Some of the Key highlights on the overall performance of this sector for the financial year are mentioned here under:

Indicator	As On 31st March, 2022	As On 31st March, 2021	YoY Change (%) as on FY 2021-22 over FY 2020-21	As On Q3 FY 2021-22 31st Dec-2021
Branches	16,885	14,530	16.20%	16,234
Employees	1,43,270	1,18,653	20.70%	1,36,414
Clients (in Crores)	3.4	3.1	8.90%	3.2
Loan accounts (in Crores)	3.9	3.7	5.30%	3.7
Gross Loan Portfolio (Crores in Rs.)	96,738	80,906	19.60%	85,806
Loans Disbursed (in Crores)	2.2	1.7	30.40%	
Loan Amount disbursed (Crores in Rs.)	81,083	57,524	41.00%	
Portfolio at Risk (PAR)>30	9.80%	9.20%		

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

OPPORTUNITIES AND CHALLENGES

Microfinance industry has already proved its viability as a business model, as well as, its ability to reach out to a significant section of the population which needs mainstreaming. It will continue to remain a relevant and important conduit for providing financial services to a vast segment of the population, acting in complementarily to banks. However, given the inherent vulnerability of the customer base, we planned for current and future risks that can impact repayments and slow down the access to regulate credit lines for the underserved.

Very recently, 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 2021. Around the same time, our collection rates improved towards the end of September 2021. The impact on livelihoods and earnings streams is 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.

Currently, your Company can see lot of potentials for growth in various regions which are still untapped and where there is substantial need, demand and opportunity for microfinance. We intend to expand our reach and operations in the states where we are currently present and new states by establishing new offices, both by increasing business transacted through existing branches, and by establishing new branches in the near future.

Your Company shall continue to evaluate opportunities that meet our strategic and financial return criteria, and to strengthen our portfolio.

OUTLOOK

The overall outlook for the Microfinance Industry has been improving and outlook seems positive post COVID-19 pandemic. With various schemes launched by the Government for financial inclusion there is a greater opportunity in this sector in the years to come. Our focus was on identifying new ways to connect with our customers, increasing automation and to improve our data analytics. We also focused on strengthening internal control mechanisms and developing the operational efficiency of our employees. We also envisioned improving our on-ground services and providing extended support to our customers whose lives have become very difficult because of these challenging circumstances. Your Company is focusing on optimization of funding costs, identification of potential business areas, widening geographical reach, and use of technology, cost efficiencies, strict credit monitoring and raising the level of customer service.

RISK AND CONCERNS

The Company being involved in the business of micro lending is susceptible 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 follows a conservative financial approach by following prudent business and risk management practices. Further, Company has sufficient caution in the systems and processes to mitigate the adverse effect of the risk.

OPERATIONAL PERFORMANCE FOR THE FY 2021-22

The Financial Year under review was a challenging year for the Company. Despite our best efforts, there has been a reduction in the loan portfolio operations of the Company during the FY 2021-22. 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 and our strong field force supported by other team members worked hard to bring Company back on growth path. Our employees took a very individual-centric process and continued collection by paying door-to-door visits during COVID-19 restrictions. We also began interacting and meting out financial advice to our customers through phone calls that made us more approachable and eventually collections started to improve. We focused our attention on the timely repayment of our own obligation and strengthening our internal control processes. This year, we have also incorporated 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 **1,46,546**.

During the year under review, the Company has availed credit facilities from Banks for its microfinance operation which is the main activity of the Company.

Your Company has been assigned rating by Acuité Ratings & Research Limited on bank Loans of INR 400.00 Crore during the FY 2021-22. The Company has an experienced and stable management team and Board of Directors. The Company is hopeful of performing well during the current year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has proper and adequate internal control systems to ensure that all activities are monitored and controlled against any unauthorised use or disposition of assets, misappropriation of funds and to ensure that all the transactions are authorised, recorded, reported and monitored correctly. The Company also has an effective system of accounting and administrative controls supported by an internal audit system with proper and adequate system of internal check and controls to ensure safety and proper recording of all assets of the Company and their proper and authorised utilization. As part of the effort to evaluate the effectiveness of the internal control systems, the Internal Auditors of the Company conduct audit of various departments covering key area of operations, reviews and evaluates the adequacy and effectiveness of internal controls, ensuring adherence to operating guidelines and systems and recommending improvements for strengthening them.

The Audit Committee of the Board of Directors, comprising of Independent Directors, periodically reviews the internal audit reports, covering findings, adequacy of internal controls, compliances applicable on the Company. The Audit Committee also meet the Company's Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of the internal control and systems followed by the Company. The Management acted upon based on the observations and suggestions of the Audit Committee. Further the control systems were tested during the year and no reportable material weakness in the operation or the design of systems was observed.

HUMAN RESOURCES

Your Company is cognizant 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 to 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 31st 2022 stood at 787.

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 have helped us function in such trying times.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 21.05.2022

Dipankar Chatterji
Chairman

Annexure 2

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

For the FY ended on March 31st, 2022

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 : 03322628207 Fax: Email: info@jagaranmf.com Website: www.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 Rd, Kankaria Estates, Bhowanipore, Kolkata, West Bengal 700071 Contact details - 033 22890539100 **Kfin Technologies Private Limited** Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032

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	100%

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. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

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									
(a) Individual/HUF									
(b) Central Govt.		9695400	9695400	20.07		9710400	9710400	20.10	0.35
(c) State Govt. (s)									
(d) Bodies Corp.									
(e) Banks / FI		34815600	34815600	72.09		34815600	34815600	72.09	-
(f) Any Other....									
Sub-total (A) (1):		44511000	44511000	92.16		44526000	44526000	92.19	-
(2) Foreign									
(a) NRIs - Individuals									
(b) Other – Individuals									
(c) Bodies Corp.									
(d) Banks / FI									
(e) Any Other....									
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)									
B. Public Shareholding									
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)									
Sub-total (B)(1):-									
2 Non-Institutions									
(a) Bodies Corp.									
(i) Indian									
(ii) Overseas									
(b) Individuals		3785200	3785200	7.84		37,70,200	37,70,200	7.81	0.03
(i) Individual shareholding holding nominal share capital upto INR. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of INR. 1 lakh									
Other (specify)									
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDINR & ADINR									
Grand Total (A+B+C)		48296200	48296200			48296200	48296200		

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(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 Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	GTFS Multi Services Limited	3,48,15,600	72.09%	-	3,48,15,600	72.09%	-	-
2.	Individuals	96,95,400	20.07%	-	97,10,400	20.10%	-	0.35%

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	4,45,11,000	92.16	4,45,11,000	92.16
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):	36,95,400	7.65	37,10,400	7.68
3	At the end of the year	4,45,26,000	92.19%	4,45,26,000	92.19%

(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
1	At the beginning of the year				
	Ms Aatreyee Majumder Director	30,00,000	6.21%	30,00,000	6.21%
	Mr Tirtha Pratim Sahu, CFO - KMP	10,000	0.02%	10,000	0.02%
2	Date wise Increase / Decrease in 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				
	Ms Aatreyee Majumder Director	30,00,000	6.21%	30,00,000	6.21%
	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

(₹ in lakhs)

Indebtedness at the beginning of the FY	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	30,417.14	500.00	-	30,917.14
ii) Interest due but not paid	378.81	0.43	-	379.25
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**30,795.96**	**500.43**	**-**	**31,296.39**
Change in Indebtedness during the FY				
• Addition	19350.00	-	-	-
• Reduction	21565.76	-	-	-
Net Change	**(2215.76)**	**-**	**-**	**-**
Indebtedness at the end of the FY				
i) Principal Amount	28403.63	500.00	-	28,903.68
ii) Interest due but not paid	176.51	0.43	-	176.94
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**28580.19**	**500.43**	**-**	**29080.62**

VI. REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particular of Remuneration	Managing Director (₹)	Whole-time Director Ms. Aatreyee Majumder (₹)	CEO & Whole time Director Mr. Jaydeep Ghosh (₹)	Total Amount (₹)
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	38,93,520	35,91,618	35,91,618	1,10,76,756
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - other, specify…	Nil	Nil	Nil	Nil
5.	Other, please specify	Nil	Nil	Nil	Nil
	Total	**38,93,520**	**35,91,618**	**35,91,618**	**1,10,76,756**

VI. REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL (Contd.)

B. Remuneration to other Directors:

Sl. No.	Particular of Remuneration	Name of Director (₹50000/- and 15,000/-for 5 independent Director and 1 NEDs)	Total Amount (₹)
1.	**Independent Directors**		
	• Fee for attending board / committee meetings	14,17,000	14,17,000
	• Commission	-	-
	• Other, please specify	-	-
	Total (1)	**14,17,000**	**14,17,000**
2.	**Other Non-Executive Director**		
	• Fee for attending board /committee meetings	-	-
	• Commission	-	-
	• Other, please specify	-	-
	Total (2)	**-**	**-**
	Total (B)=(1+2)	**14,17,000**	**14,17,000**

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	5,20,000	(Nil)	35,91,618	41,11,618
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	**Commission** - as % of profit - other, specify…	Nil	Nil	Nil	Nil
5	Other, please specify	Nil	Nil	Nil	Nil
	Total	**5,20,000**	**-**	**35,91,618**	**41,11,618**

(**) 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.	**DIRECTOR**					
	Penalty					
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil
C.	**OTHER OFFICERS 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 the Board of Directors

Place: Kolkata
Date: 21.05.2022

Dipankar Chatterji
Chairman

Annexure 3

REPORT OF THE BOARD OF DIRECTORS ANNUAL REPORT ON CSR ACTIVITIES

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 have 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, Jharkhand, Assam 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 programs.
- 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 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.

Summary of the CSR activities undertaken during the FY 2021-22:

SL. No.	Items	Total Budget (₹)	Total Expense (₹)
1	Education Programme (Pre-primary)	9,00,000	8,82,655
2	Health Check-up & Awareness Camps	2,37,000	24030
3	Skill Development Training on Tailoring(SDT)	7,00,000	4,98,463
4	Entrepreneurship Dev. Programs(EDP)	1,00,000	42000
5	Social Security Programme with Govt. of India	24,000	30310
6	Financial literacy & Inclusion Programs	20,000	1,98,527
7	Group Leadership Training Programs	7,20,000	5,88,726
8	Merit Scholarship	12,00,000	12,37,600
9	Admin Costs	2,12,000	1,79,532
10	PMNRF (Unspent from last year)	4,49,478	4,49,478
11	PMNRF (Current year)	-	1,54,000
12	Others	1,36,147	5,43,942
13	**TOTAL**	**46,98,625**	**48,29,263**

DETAILS OF CSR EXPENDITURE DURING THE FY 2021-22

Particulars	Amount (₹)
Amount outlay (budgeted)	46,98,625.00
Amount spent on projects	48,29,263.00
Amount unspent	-
Excess amount spent	**1,30,638.00**

For and on behalf of the Board of Directors

Place: Kolkata
Date: 21.05.2022

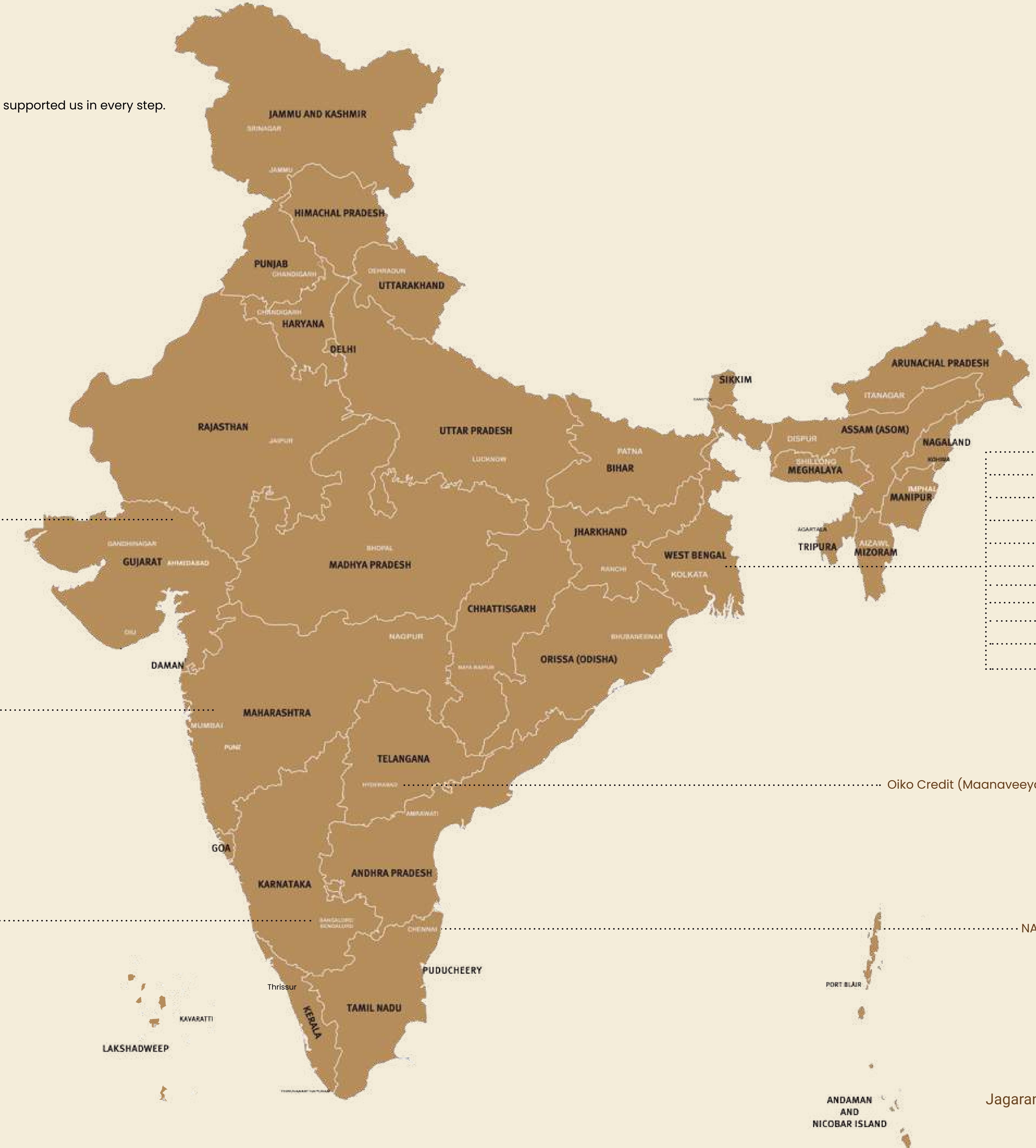
Dipankar Chatterji
Chairman

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
Microfinance Initiative Fund for Asia



MAS Financial Services Limited

MUDRA
Western Capital Advisors Pvt Ltd
InCred Financial Services Limited
IDFC First Bank (Capital First)

Jana SFB
Habitat Microbuild India HFC Pvt. Ltd

Bank of Baroda
IDBI Bank
Saidham Mercantile
NABARD
Indian Bank
Canara Bank
Bank of Maharastra
UCO Bank
State Bank of India
Punjab National Bank
Indian Overseas Bank

Oiko Credit (Maanaveeya Development & Finance)

NABKISAN Finance Ltd. (NKFL)

INDEPENDENT AUDITORS' 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, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have considered the matters described below to be the key audit matters for incorporation in our report.

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

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
1.	The management estimates impairment provision using ECL model for the loan exposure. Recognition and measurement of impairment of loans involve significant management judgement. The Company's impairment allowance is derived from estimates including the historical defaults and expected recovery against outstanding amounts. 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 approximates credit conditions on homogeneous portfolio of loans. The aforesaid involves significant management estimates/ judgements and hence identified as Key Audit Matter.	Our Audit procedures based on which we arrived at the conclusion regarding reasonableness: • Obtaining an understanding of the model adopted by the Company for calculation of expected credit losses and the appropriateness of the data on which the calculation is based; • Tested the key assumptions used by the Company in the ECL Model. Tested the input data used for determining the Probability of Default (PD) and Loss Given Default (LGD) rates and agreed the data with the books of accounts and records. • Tested samples for staging of loans based on their past-due status to check compliance in respect of the requirements of Ind As 109. • Tested the calculation of the workings of the expected credit losses; • 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 This being technical matter reliance has been placed on the management's assumption for recovery etc. in future.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards notified under Section 133 of the Act read with relevant rules, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time;
   e) On the basis of the written representations received from the Directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal control with reference to the financial statements of the Company.
3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended from time to time), in our opinion and to the best of our information and according to the explanations given to us:
   i. Pending litigations (other than those already recognized in the financial statements) having material impact on the financial position of the Company have been disclosed in the financial statements as required in terms of accounting standards and provisions of the Act– refer note no. 32.1 to the financial statements.
   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

iv. a. The Company receive the fund and advance as loan the same as part of its normal business activity and as such has represented that, to the best of its knowledge and belief as disclosed in note no. 39C to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The management has represented that, to the best of its knowledge and belief as disclosed in note no. 39C to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the financial year.

4. With respect to the reporting under section 197(16) of the Act to be included in the Auditors' Report, in our opinion and according to the information and explanations given to us, the remuneration (including sitting fees) paid by the Company to its Directors during the current financial year is in accordance with the provisions of section 197 of the Act and is not in excess of the limit laid down therein.

For LODHA & CO
Chartered Accountants
Firm's Registration No: 301051E

Boman R Parakh
(Partner)
Membership No. 053400
UDIN: 22053400AJIZZE5826

Place: Kolkata
Date: May 21, 2022

ANNEXURE "A"
TO THE INDEPENDENT AUDITORS' REPORT

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

i. In respect of the Company's property, plant and equipment and intangible assets

a. A. The Company has maintained proper records showing full particulars, including quantitative details and situations of its property, plant and equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

b. During the year, property, plant and equipment have been physically verified by the management according to a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us and based on the verification of the physical verification reports, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and based on our examination of the relevant records of the Company, the Company does not hold any immovable properties in the nature of free hold or lease hold land and building thus the provisions of clause 3(i)(c) is not applicable.

d. The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year. Accordingly, reporting under paragraph 3(i)(d) of the Order is not applicable.

e. According to the information and explanations given to us and as represented by the management, no proceedings have been initiated during the year or are pending against the Company as at the 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, as amended from time to time. Accordingly, reporting under paragraph 3(i)(e) of the order is not applicable.

ii. According to the information and explanations given to us and based on our examination of the books of account of the Company:

a. The Company is a Non-Banking Financial Company, primarily engaged in the business of lending and does not hold any inventories. Accordingly, the provisions of clause 3 (ii) (a) is not applicable.

b. During any point of time of the year, the Company has not been sanctioned any working capital limits from bank or financial institutions on the basis of security of current assets and hence the provisions of clause 3 (ii)(b) is not applicable.

iii. a. According to the information and explanation given to us and based on our examination of the books of account of the Company, the principal business of the Company is to grant loan and accordingly clause 3 (iii) (a) is not applicable.

b. The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of Reserve Bank of India Act, 1934 (hereinafter referred to as 'RBI Act'). In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of all loans provided during the year are, prima facie, not prejudicial to the Company's interest. The Company has not made any investment nor has provided any guarantee nor has given any security during the year.

c. The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act and rules made thereunder, in pursuance of its compliance with provisions of the said Act/ Rules, particularly in respect of, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers. In our opinion and according to the information and explanations given to us, in respect of loans, the terms of repayment of principal and payment of interest has been stipulated and in certain cases repayment of principal and payment of interest has not been made in accordance with such stipulation. Refer notes 40.8 to the financial statements for summarized details of such loans and categorization thereof based on record of recovery.

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

(*Amount ₹ in Lakhs*)

No. of cases	Principal Amount overdue	Interest overdue	Total overdue	Remarks (if any)
8873	1,410.81	283.50	1,694.31	Reasonable steps for collection of the same is being taken by the Company.

e. According to the information and explanation given to us and based on our examination of the books of account of the Company, the principal business of the Company is to grant loan and accordingly clause 3 (iii) (e) is not applicable.

f. According to the information and explanation given to us and based on our examination of the books of account, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186(1) of the Act, the other provisions of Section 186 of the Act is not applicable to the Company. According to the information and explanation given to us and based on our examination of the books of account, the Company has not granted any loan to Directors or to parties wherein directors are interested and accordingly provisions of section 185 is not applicable to the Company.

v. According to the information and explanation given to us and based on our examination of the books of account, the Company being a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI), the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company. According to the information and explanation given to us and based on our examination of the books of account, the Company has not accepted any deposits during the year nor anything was outstanding the provisions of clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for the business activities carried out by the Company. Accordingly, the provision of clause 3 (vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and based on our examination of the books of account:

a. During the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable to it. There are no undisputed amounts in respect of provident fund, employees' state insurance, income tax, goods and service tax, duty of customs, cess and any other material statutory dues, in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

b. There are no amount outstanding that have not been deposited in respect of statutory dues referred to is sub-clause (a) on account of any disputes as at March 31, 2022 and hence sub-clause (b) is not applicable to the Company.

viii. In our opinion and on the basis of information and explanations given to us and as represented by the management, we have neither come across nor have been informed of transactions which were previously not recorded in books of account and that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 and accordingly reporting under paragraph 3 (viii) of the Order is not applicable.

ix. In our opinion and on the basis of information and explanations given to us and based on our examination of the books of account of the Company:

a. During the year, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.

b. The Company has not been declared wilful defaulter by any bank or financial institution or any other lenders.

c. The Company has utilized the money obtained by way of term loans from bank during the year for the purpose for which they were obtained, other than temporary parking in Current Account for a few days at the end of the year, pending utilization towards purpose for which the same are obtained.

d. There were no funds raised by the Company on short term basis during the financial year.

e. The Company does not have any Subsidiary, Associate or Joint Venture and accordingly reporting under paragraph 3(ix) (e) & (f) are not applicable.

x. According to the information and explanations given to us and based on our examination of the books of account of the Company, we report that:

a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under paragraph 3(x)(a) of the Order is not applicable.

b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally) during the year and accordingly, reporting under paragraph 3(x)(b) of the Order is not applicable.

xi. a. During the course of our examination of books and records of the Company carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have been informed of any such cases by the management; and

b. No report under sub-section (12) of section 143 of the Act, has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended from time to time) with the Central Government, during the year and up to the date of this report.

c. According to the information and explanation given to us and based on our examination of the books of account of the Company, no whistle blower complaints have been received during the year by the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the Nidhi Rules, 2014 is not applicable to it, hence, the reporting under paragraph 3(xii) (a, b, & c) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with provisions of Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. a. In our opinion and according to the information and explanations given to us the Company has an internal audit system commensurate with the size and nature of its business.

b. We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

xv. According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with them and hence, reporting under paragraph 3(xv) of the Order is not applicable.

xvi. According to the information and explanations given to us and based on our examination of the books and records of the Company:

a. The Company is required to be registered under Section 45-IA of the RBI Act and the Company has obtained the required registration.

b. The Company has not conducted any non-banking financial or housing finance activities without obtaining a valid Certificate of Registration (CoR) from the RBI as per the RBI Act.

c. The Company is not a Core Investment Company (hereinafter referred to as "CIC") as defined in the Core Investment Companies (Directions), 2016, as amended from time to time, issued by the Reserve Bank of India and hence, reporting under paragraph 3(xvi)(c) of the Order is not applicable.

d. There is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, reporting under paragraph 3(xvi)(d) of the Order is not applicable.

xvii. Based on the examination of the books of accounts we report that the Company has not incurred cash losses in the current financial year covered by our audit or in the immediately preceding financial year.

xviii. During the year, Deloitte Haskins & Sells the Statutory Auditors of the Company have resigned with effect from October 07, 2021 in order to comply with the requirements as prescribed in this respect in term of the RBI circular dated April 27, 2021. According to the information and explanations given to us, there have been no issues, objections or concerns raised by the said outgoing auditors of the Company.

xix. According to the information and explanations given to us and based on the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, read with details provided in note no. 38 to the financial statements detailing the maturity analysis of assets and liabilities and other information accompanying financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither given any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us and based on our examination of the books and records of the Company there are no unspent amount towards Corporate Social Responsibility (CSR) on either ongoing projects or other than ongoing projects and accordingly, reporting under paragraph 3(xx) (a) & (b) of the Order is not applicable for the year.

xxi. The reporting under paragraph 3(xxi) of the Order is not applicable to the Company in the absence of any subsidiary, associate or joint venture.

For LODHA & CO
Chartered Accountants
Firm's Registration No: 301051E

Boman R Parakh
(Partner)
Membership No. 053400
UDIN: 22053400AJIZZE5826

Place: Kolkata
Date: May 21, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls with reference to financial statements of Jagaran Microfin Private Limited ("the Company") as at March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For LODHA & CO
Chartered Accountants
Firm's Registration No: 301051E

Boman R Parakh
(Partner)
Membership No. 053400
UDIN: 22053400AJIZZE5826

Place: Kolkata
Date: May 21, 2022

JAGARAN MICROFIN PRIVATE LIMITED
CIN: U74210WB1993PTC057457

BALANCE SHEET AS AT MARCH 31, 2022 (All amount in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	4	3,159.72	1,922.28
Bank balances other than cash and cash equivalents	5	4,197.20	4,351.43
Loans	6	29,743.96	32,112.05
Other financial assets	7	288.32	1,464.88
Non-financial assets			
Current tax assets (net)	8	155.53	57.36
Deferred tax assets (net)	9	852.53	1,002.39
Property, plant and equipment	10	66.20	92.26
Other intangible assets	11	25.79	29.48
Other non-financial assets	12	74.86	54.36
TOTAL ASSETS		**38,564.11**	**41,086.49**
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	13	64.07	247.75
Debt securities	14	4,304.74	6,309.52
Borrowings (other than debt securities)	15	23,992.03	24,304.79
Subordinated debt	16	500.42	500.43
Other financial liabilities	17	188.67	209.00
Non-financial liabilities			
Current tax liabilities (net)	18	-	339.37
Provisions	19	108.21	131.36
Other non-financial liabilities	20	34.76	39.21
EQUITY			
Equity share capital	21	4,829.62	4,829.62
Other equity	22	4,541.59	4,175.44
TOTAL LIABILITIES AND EQUITY		**38,564.11**	**41,086.49**

The accompanying notes 1-46 form an integral part of the financial statements.

As per our report of even date attached

For LODHA & CO
Chartered Accountants
Firm's Registration No.: 301051E

Boman R Parakh
Partner
Membership No.: 053400

Place: Kolkata
Date: May 21, 2022

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: May 21, 2022

JAGARAN MICROFIN PRIVATE LIMITED
CIN: U74210WB1993PTC057457

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022
(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations			
Interest income	23	6,476.72	10,484.86
Dividend income	24	28.10	0.89
Total revenue from operations		**6,504.82**	**10,485.75**
Interest on income tax refund	25	11.17	-
Other income	26	2,222.72	2.68
Total income		**8,738.71**	**10,488.43**
EXPENSES			
Finance costs	27	3,245.95	5,585.34
Impairment of financial instruments	28	-	2,999.98
Employee benefits expense	29	1,724.66	1,634.09
Depreciation and amortisation expense	30	36.87	49.90
Other expenses	31	3,217.23	893.31
Total expenses		**8,224.71**	**11,162.62**
Profit/(loss) before tax		**514.00**	**(674.19)**
Tax expense			
(a) Current tax		-	544.24
(b) Deferred tax	9	149.35	(727.58)
Total tax expense		**149.35**	**(183.34)**
Profit/(loss) for the year		**364.65**	**(490.85)**
Other comprehensive income			
Items that will not be reclassified to profit or loss		2.01	7.29
Income tax relating to items that will not be reclassified to profit or loss		(0.51)	(1.87)
Total other comprehensive Income for the year, net of tax		**1.50**	**5.42**
Total comprehensive income for the year		**366.15**	**(485.43)**
Earnings per equity share (face value of ₹ 10/- each)			
Basic and diluted earnings per share (₹)	34	0.76	(1.01)

The accompanying notes 1-46 form an integral part of the financial statements.

As per our report of even date attached

For LODHA & CO
Chartered Accountants
Firm's Registration No.: 301051E

Boman R Parakh
Partner
Membership No.: 053400

Place: Kolkata
Date: May 21, 2022

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: May 21, 2022

JAGARAN MICROFIN PRIVATE LIMITED
CIN: U74210WB1993PTC057457

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ lakhs, unless otherwise stated)

(A) Equity share capital

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance as at the beginning of the year	4,829.62	4,829.62
Changes in equity share capital during the year	-	-
Balance as at the end of the year	**4,829.62**	**4,829.62**

(B) Other equity

Particulars	Reserves and surplus			Total
	Securities premium	Statutory reserves	Retained earnings	
As at March 31, 2021	**855.13**	**1,132.69**	**2,187.62**	**4,175.44**
Profit for the year	-	-	364.65	364.65
Other comprehensive income for the year	-	-	1.50	1.50
Total comprehensive income for the year	**-**	**-**	**366.15**	**366.15**
Transferred to statutory reserve	-	72.93	(72.93)	-
As at March 31, 2022	**855.13**	**1,205.62**	**2,480.84**	**4,541.59**
As at March 31, 2020	**855.13**	**1,132.69**	**3,059.42**	**5,047.24**
Loss for the year	-	-	(490.85)	(490.85)
Other comprehensive income for the year	-	-	5.42	5.42
Total comprehensive income for the year	**-**	**-**	**(485.43)**	**(485.43)**
Dividend paid	-	-	(386.37)	(386.37)
As at March 31, 2021	**855.13**	**1,132.69**	**2,187.62**	**4,175.44**

Description of nature and purposes of each reserve have been disclosed in note no. 22.

The accompanying notes 1-46 form an integral part of the financial statements.

As per our report of even date attached

For LODHA & CO
Chartered Accountants
Firm's Registration No.: 301051E

Boman R Parakh
Partner
Membership No.: 053400

Place: Kolkata
Date: May 21, 2022

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: May 21, 2022

JAGARAN MICROFIN PRIVATE LIMITED
CIN: U74210WB1993PTC057457

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(loss) before tax	514.00	(674.18)
	Adjustments for:		
	Depreciation and amortisation expense	36.87	49.90
	Impairment of financial instruments	-	2,999.98
	Dividend income	(28.10)	(0.89)
	Interest income on deposits	(309.00)	(452.87)
	Sundry assets written off	2,217.47	-
	Provision no longer required written back	(2,154.05)	-
	Operating profit before working capital changes	**277.19**	**1,921.94**
	Adjustment for changes in operating assets & liabilities		
	Adjustments for (increase)/decrease in operating assets:		
	Loans	2,292.67	11,521.51
	Other financial assets	2.39	(84.25)
	Other non-financial assets	(20.50)	(28.32)
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	(183.68)	152.06
	Provisions	(9.14)	(4.89)
	Other financial liabilities	(20.33)	136.16
	Other non-financial liabilities	(4.45)	(23.02)
	Cash generated from/(used in) operations	**2,334.15**	**13,591.19**
	Income tax paid	(437.54)	(282.16)
	Net cash generated from operating activities	**1,896.61**	**13,309.03**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment	(7.11)	(27.49)
	Purchase of investment in mutual fund	(12,311.08)	(401.15)
	Sale of investment in mutual fund	12,311.08	451.49
	(Investment in)/redemption of deposits with banks & NBFCs (net)	1,328.40	1,806.86
	Interest received on deposits	309.00	452.87
	Dividend received	28.10	0.89
	Net cash generated from investing activities	**1,658.39**	**2,283.47**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Dividend paid	-	(386.37)
	Proceeds from borrowings from banks and NBFCs	19,350.00	11,150.00
	Repayment of borrowings to banks and NBFCs	(21,667.55)	(27,107.48)
	Net cash used in financing activities	**(2,317.55)**	**(16,343.85)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**1,237.45**	**(751.35)**
	Cash and cash equivalents as at the beginning of the year **(Refer Note 4)**	**1,922.27**	**2,673.62**
	Cash and Cash Equivalents as at the end of year (Refer Note 4)	**3,159.72**	**1,922.27**

Additional notes to cash flow statement:

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
Cash in hand	36.67	64.97
Balances with banks - in current accounts	3,018.94	1,256.61
Balances with banks - In term deposits	104.11	600.70
	3,159.72	**1,922.28**

The accompanying notes 1-46 form an integral part of the financial statements.
As per our report of even date attached

For LODHA & CO
Chartered Accountants
Firm's Registration No.: 301051E

Boman R Parakh
Partner
Membership No.: 053400

Place: Kolkata
Date: May 21, 2022

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: May 21, 2022

1. Corporate Information

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

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

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The financial statements have been prepared on a 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 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 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 fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

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

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 capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.5. Intangible Assets

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

3.6. Depreciation and amortization

3.6.1. Depreciation

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

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

3.6.2. Amortization

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

3.7. Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining 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 remeasurements 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.

JAGARAN MICROFIN PRIVATE LIMITED
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Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)

3.10.3. Other Employee Benefits

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

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

3.11. Taxes

3.11.1. Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items 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 asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is 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. Earning 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 four 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 of 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

Operating Segments are identified and reported taking into account the different risk and return, organizational structure and internal reporting system to the Chief Operating Decision Maker.

3.18. Foreign Currency

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

3.19. 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.

JAGARAN MICROFIN PRIVATE LIMITED
CIN: U74210WB1993PTC057457
Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)

(All amount in ₹ lakhs, unless otherwise stated)

4. Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash in hand	36.67	64.97
Balances with banks		
In current accounts	3,018.94	1,256.61
In term deposits*	104.11	600.70
	3,159.72	**1,922.28**

* Term deposits are under lien against borrowings as on 31.03.2022: ₹ 104.11 (as on 31.03.2021 ₹ NIL)

5. Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks and other financial institutions - Interm deposit accounts* (Including accrued interest for term deposits)	4,197.20	4,351.43
	4,197.20	**4,351.43**

* Term deposits are under lien against borrowings as on 31.03.2022: ₹ 3,438.77 (as on 31.03.2021 ₹ 3,691.97)

6. Loans

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured		
Term loans	30,522.01	35,779.18
Add: interest accrued but not due on Loans	617.30	233.90
Less: processing fee income deferment	(193.54)	(253.43)
Total (Gross)	**30,945.77**	**35,759.65**
Less: impairment loss allowance (refer note no. 40.8)	(1,201.81)	(3,647.60)
	29,743.96	**32,112.05**

Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)

(All amount in ₹ lakhs, unless otherwise stated)

6.1. Region wise details

Particulars	As at March 31, 2022	As at March 31, 2021
a) Loans in India		
- Public sector	-	-
- Others	30,945.77	35,759.65
a) Loans outside India	-	-
Gross Loans	**30,945.77**	**35,759.65**
Less: Impairment loss allowance	(1,201.81)	(3,647.60)
Net Loans	**29,743.96**	**32,112.05**

7. Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposit	80.53	78.42
Security deposits with non banking financial companies*	93.56	1,267.73
Advance to employees	5.29	4.33
Other receivables (refer note 7.1)	108.94	114.40
Total	**288.32**	**1,464.88**

* Security deposits are under lien against borrowings.

7.1. Other receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Insurance premium receivable from members	101.32	83.02
Insurance claim receivable	0.31	0.73
Others	7.31	30.65
	108.94	**114.40**

8. Current tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax (including TDS receivable)	1,946.33	1,560.42
Less: provision for taxation	(1,790.80)	(1,503.06)
	155.53	**57.36**

Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)

(All amount in ₹ lakhs, unless otherwise stated)

9. Deferred tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Tax effect on Items constituting deferred tax asset:		
Property, plant and equipment and other intangible assets	4.74	4.34
Financial assets at amortised cost	44.04	64.94
Provision for impairment loss allowance	284.65	955.94
Disallowance under Section 43B of the Income Tax Act, 1961	88.47	23.83
Carried forward loss	478.53	-
Total deferred tax assets	**900.43**	**1,049.05**
Tax effect on Items constituting deferred tax liabilities:		
Financial liabilities at amortised cost	(47.90)	(46.66)
Total deferred tax liabilities	**(47.90)**	**(46.66)**
Deferred tax assets (net)	**852.53**	**1,002.39**

9.1. Movement in deferred tax assets and liabilities for year ended March 31, 2022:

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

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Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)

(All amount in ₹ lakhs, unless otherwise stated)

9.2. Movement in deferred tax assets and liabilities for year ended March 31, 2021:

Particulars	As at March 31, 2020	Recognised in Profit or Loss	Recognized in Other Comprehensive Income	As at March 31, 2021
Deferred tax assets for deductible temporary differences on:				
Property, plant and equipment and other intangible assets	1.91	2.43	-	4.34
Financial assets at amortised cost	131.42	(66.48)	-	64.94
Provision for impairment loss allowance	205.83	750.11	-	955.94
Disallowance under section 43B of the Income Tax Act, 1961	30.93	(5.23)	(1.87)	23.83
Total	**370.09**	**680.83**	**(1.87)**	**1,049.05**
Deferred tax liabilities for taxable temporary differences on:				
Financial liabilities at amortised cost	(93.41)	46.75	-	(46.66)
Total	**(93.41)**	**46.75**	**-**	**(46.66)**
Deferred tax assets (net)	**276.68**	**727.58**	**(1.87)**	**1,002.39**

10. Property, plant and equipment

Particulars	Computer	Furniture and fixtures	Office equipment	Vehicles	Total
GROSS BLOCK					
Balance as at March 31, 2020	**75.55**	**44.93**	**48.96**	**14.47**	**183.91**
Additions	14.36	2.52	2.33	-	19.21
Disposal/Other Adjustments	0.25	-	-	-	0.25
Balance as at March 31, 2021	**89.66**	**47.45**	**51.29**	**14.47**	**202.87**
Additions	0.37	0.44	0.85	-	1.66
Disposal/Other Adjustments	-	-	-	-	-
Balance as at March 31, 2022	**90.03**	**47.89**	**52.14**	**14.47**	**204.53**
ACCUMULATED DEPRECIATION					
Balance as at March 31, 2020	**41.78**	**9.70**	**19.18**	**3.06**	**73.72**
Charge for the year	19.18	5.26	10.55	1.90	36.89
Disposal/Other Adjustments	-	-	-	-	-
Balance as at March 31, 2021	**60.96**	**14.96**	**29.73**	**4.96**	**110.61**
Charge for the year	12.87	4.67	8.31	1.87	27.72
Disposal/Other Adjustments	-	-	-	-	-
Balance as at March 31, 2022	**73.83**	**19.63**	**38.04**	**6.83**	**138.33**
NET BLOCK					
Balance as at March 31, 2020	**33.77**	**35.23**	**29.78**	**11.41**	**110.19**
Balance as at March 31, 2021	**28.70**	**32.49**	**21.56**	**9.51**	**92.26**
Balance as at March 31, 2022	**16.20**	**28.26**	**14.10**	**7.64**	**66.20**

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Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)

(All amount in ₹ lakhs, unless otherwise stated)

11. Other intangible assets

Particulars	Computer software	Total
GROSS BLOCK		
Balance as at March 31, 2020	**52.67**	**52.67**
Additions	8.53	8.53
Disposal/Other Adjustments	-	-
Balance as at March 31, 2021	**61.20**	**61.20**
Additions	5.45	5.45
Disposal/Other Adjustments	-	-
Balance as at March 31, 2022	**66.65**	**66.65**
ACCUMULATED AMORTIZATION		
Balance as at March 31, 2020	**18.71**	**18.71**
Charge for the year	13.01	13.01
Disposal/Other Adjustments	-	-
Balance as at March 31, 2021	**31.72**	**31.72**
Charge for the year	9.14	9.14
Disposal/Other Adjustments		
Balance as at March 31, 2022	**40.86**	**40.86**
NET BLOCK		
Balance as at March 31, 2020	**33.96**	**33.96**
Balance as at March 31, 2021	**29.48**	**29.48**
Balance as at March 31, 2022	**25.79**	**25.79**

12. Other non-financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Advance to vendors	12.28	25.00
Prepaid expenses	8.28	7.75
Balance with government authorities	53.85	21.16
Other advances	0.45	0.45
Total	**74.86**	**54.36**

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Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)

(All amount in ₹ lakhs, unless otherwise stated)

13. Payables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
(i) Total outstanding dues of micro and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises	64.07	247.75
	64.07	**247.75**

13.1. Trade payables aging schedule as on March 31, 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro and small enterprises	-	-	-	-	-
(ii) Other than micro and small enterprises	60.65	3.42	-	-	64.07
(iii) Disputed dues	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-

Trade payables aging schedule as on March 31, 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro and small enterprises	-	-	-	-	-
(ii) Other than micro and small enterprises	247.31	0.44	-	-	247.75
(iii) Disputed dues	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-

14. Debt securities

Particulars	As at March 31, 2022	As at March 31, 2021
Non convertible debentures - listed (secured)	4,304.74	6,309.52
	4,304.74	**6,309.52**

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Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)

(All amount in ₹ lakhs, unless otherwise stated)

14.1. Redemption details of debt securities

Particulars	Redemption Schedule	As at March 31, 2022	As at March 31, 2021
13.0465% Blue Orchard Microfinance Fund	29.10.2022	1,013.24	2,017.81
13.0465% Japan Asean Women Empowerment Fun	29.10.2022	1,011.64	2,016.22
13.0000% Microfinance Initiative Fund Asia	23.12.2024	2,279.86	2,275.49
		4,304.74	**6,309.52**

15. Borrowings (other than debt securities)

Particulars	As at March 31, 2022	As at March 31, 2021
Term loans (Secured)*		
From banks	22,548.42	14,429.54
From non banking financial companies	1,727.04	10,052.99
SubTotal	**24,275.46**	**24,482.53**
Less: Processing fees deferment	(283.43)	(177.74)
	23,992.03	**24,304.79**

* The loans are fully secured against hypothecation of Book Debts (Refer Note 15.1 and 15.2)

* Statements of hypothecation filed with the Banks and Non Banking Financial Companies on monthly and quarterly basis are in agreement with the books of accounts of the Company.

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Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)
(All amount in ₹ lakhs, unless otherwise stated)

Terms and conditions of long term borrowings

	Particulars	2021-22	2020-21	Maturity	No. of Installments	Installment value	Repayment term	Rate of interest effective as on March 31, 2022
15.1.	**Rupee Loan from Banks**							
i.	**Bank of Baroda (Refer Note No. 15.3(b))**							
	Term Loan No. 1	645.83	-	Oct-24	31	20.83/Monthly	Apr'22 - Oct'24	1 YR MCLR + 100 BPS (Current Effective Rate 8.30%)
ii.	**Bank of Maharastra (Refer Note No. 15.3(a))**							
	Term Loan No. 2	3,207.50	-	Sep-24	30	106.10/Monthly	Apr'22 - Sept'24	1 YR MCLR + 200 BPS (Current Effective Rate 9.30%)
	Term Loan No. 1	-	141.92					
iii.	**Canara Bank (Refer Note No. 15.3(b))**							
	Term Loan No. - 2	2,333.33	-	Jul-24	22	83.00/Monthly	Apr'22 - Jul'24	1 YR MCLR + 200 BPS (Current Effective Rate 8.95%)
	Term Loan No. - 1	226.10	396.07	Jul-23	10	13.90/Monthly	Apr'22 - Jul'23	1 YR MCLR + 410 BPS (Current Effective Rate 10.70%)
iv.	**IDBI Bank (Refer Note No. 15.3(c))**							
	Term Loan No. 4	100.03	-	Sep-24	24	4.16/Monthly	Oct'22 - Sept'24	1 YR MCLR + 385 BPS (Current Effective Rate 11.45%)
	Term Loan No. 3	-	198.78					
v.	**IDFC First Bank (Refer Note No. 15.3(a))**							
	Term Loan No. 3	-	337.29					
	Term Loan No. 4	210.90	717.05	Aug-22	5	41.67/Monthly	Apr'22 - Aug'22	1 YR MCLR + 385 BPS (Current Effective Rate 10.55%)
	Term Loan No. 5	177.28	700.00	Jul-22	4	43.75/Monthly	Apr'22 - Jul'22	1 YR MCLR + 385 BPS (Current Effective Rate 10.55%)
vi.	**Indian Bank (Refer Note No. 15.3(a))**							
	Term Loan No. 1	456.63	823.89	May-23	14	33.33/Monthly	Apr'22 - May'23	1 YR MCLR + 375 BPS (Current Effective Rate 11.80%)
	Term Loan No. 1A (trf. From Allahabad Bank)	-	565.33					
vii.	**Indian Overseas Bank (Refer Note No. 15.3(i))**							
	Term Loan No. 1	1,001.21	-	Mar-24	20	50.00/Monthly	Aug'22 - Mar'24	1 YR MCLR + 310 BPS (Current Effective Rate 10.55%)
	Term Loan No. 2	1,000.90	-	Mar-24	20	50.00/Monthly	Aug'22 - Mar'24	1 YR MCLR + 310 BPS (Current Effective Rate 10.55%)
viii.	**Jana Small Finance Bank (Refer Note No. 15.3(c))**							
	Term Loan No. 1	2,340.02	-	Sep-23	18	141.88/Monthly (EMI)	Apr'22 - Sept'23	12.47%
ix.	**MUDRA (Refer Note No. 15.3(d))**							
	Term Loan No. 1	715.52	1,576.52	Jan-23	10	75.00/Monthly	Apr'22 - Jan'23	5.83%
x.	**NABARD (Refer Note No. 15.3(h))**							
	Term Loan No. 1	1,250.00	2,502.90	Sep-22	1	1,250.00/Annually	Apr'22 - Sept'22	9.25%
xi.	**Punjab National Bank (Refer Note No. 15.3(b))**							
	Term Loan No. 1	3,193.75	-	Sep-24	30	106.06/Monthly	Apr'22 - Sept'24	1 YR MCLR + 200 BPS (Current Effective Rate 9.30%)
	Term Loan No. 1A (trf from Oriental Bank of Commerce)	938.26	1,317.67	Sep-24	30	31.25/Monthly	Apr'22 - Sept'24	1 YR MCLR + 250 BPS (Current Effective Rate 9.75%)
xii.	**State Bank of India (Refer Note No. 15.3(c))**							
	Term Loan No. 3	75.13	802.20	May-22	2	59.09/Monthly	Apr'22 - May'22	1 YR MCLR + 250 BPS (Current Effective Rate 11.60%)
	Term Loan No. 4	1,187.83	2,301.12	May-23	14	89.58/Monthly	Apr'22 - May'23	1 YR MCLR + 250 BPS (Current Effective Rate 11.60%)
	Term Loan No. 5	2,999.98	-	Dec-24	33	90.91/Monthly	Apr'22 - Dec'24	1 YR MCLR + 475 BPS (Current Effective Rate 11.75%)
xiii.	**UCO Bank (Refer Note No. 15.3(c))**							
	Term Loan No. 3	488.22	916.70	Jun-23	15	35.47/ Monthly (EMI)	Apr'22 - Jun'23	1 YR MCLR + 315 BPS (Current Effective Rate 10.45%)
xiv.	**Small Industries Development Bank of India**							
	Term Loan No. 1	-	570.41					
xv.	**EASF Small Finance Bank**							
	Term Loan No. 1	-	234.33					
xvi.	**Punjab & Sind Bank**							
	Term Loan No. 1	-	15.15					
xvii.	**Ujjivan Small Finance Bank**							
	Term Loan No. 1	-	312.21					
	Sub-Total	**22,548.42**	**14,429.54**					

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Terms and conditions of long term borrowings (Contd.)

	Particulars	2021-22	2020-21	Maturity	No. of Installments	Installment value	Repayment term	Rate of interest effective as on March 31, 2022
15.2.	**Rupee Loan from Non Banking Finance Company**							
i.	**Eclear Leasing and Finance Private Limited**							
	Term Loan - Tranche - 1	0.02	226.43	1	Balancing Figure			
ii.	**Grow Money Capital Private Limited (Refer Note No. 15.3(f))**							
	Term Loan No. 1	12.01	-	-				14.75%
iii.	**Habitat Microbuild India Housing Finance Company Limited (Refer Note No. 15.3(f))**							
	Term Loan No. 3	122.79	200.05	Jul-23	16		Apr'22 - Jul'23	14.75%
	Term Loan No. 2	80.08	164.17	Jan-23	10		Apr'22 - Jan'23	14.50%
	Term Loan No. 1	16.78	109.94	May-22	2		Apr'22 - May'22	14.50%
iv.	**Incred Financial Services Limited (Refer Note No. 15.3(e))**							
	Term Loan No. 3	162.27	301.48	Mar-23	12	14.47/ Monthly (EMI)	Apr'22 - Mar'23	14.50%
	Term Loan No. 2	-	315.79					
v.	**MAS Financial Services Limited (Refer Note No. 15.3(g))**							
	Term Loan - 58 & 59	293.84	800.95	Oct-22	7	41.67/ Monthly	Apr'22 - Oct'22	MASPLR - 1.59% (Current Effective Rate 13.80%)
	Term Loan - 56 & 57	-	506.26					
	Term Loan - 55	-	250.57					
	Term Loan - 53 & 54	-	458.33					
	Term Loan - 52	-	229.17					
	Term Loan - 50 & 51	-	375.00					
	Term Loan - 49	-	187.50					
	Term Loan - 48	-	87.50					
	Term Loan - 46 & 47	-	204.17					
	Term Loan - 43, 44 & 45	-	375.00					
	Term Loan - 42	-	83.33					
	Term Loan - 39, 40 & 41	-	125.00					
	Term Loan - 36, 37 & 38	-	95.83					
vi.	**Nabakishan Finance Limited (Refer Note No. 15.3(e))**							
	Term Loan No. 2	207.96	374.89	Jul-23	5	41.67/ Quarterly	Apr'22 - Jul'23	14.25%
	Term Loan No. 1	246.37	749.01	Sep-22	2	125.00/Half Yearly	Apr'22 - Sept'22	14.25%
vii.	**Saidham Mercantile Private Limited (Refer Note No. 15.3(g))**							
	Term Loan No. 1	501.59	142.81	Jun-23	15	36.76/ Monthly (EMI)	Apr'22 - Jun'23	15.00%
viii.	**Western Capital Advisory Pvt. Ltd. (Refer Note No. 15.3(f))**							
	Term Loan No. 2	83.33	449.88	Jun-22	3	27.78/ Monthly	Apr'22 - Jun'22	14.50%
	Term Loan No. 1	-	42.22					
ix.	**Ananya Finance for Inclusive Growth (P) Limited**							
	Term Loan No. 1	-	266.58					
x.	**Mannaveeya Development & Finance Limited**							
	Term Loan No. 2	-	267.12					
	Term Loan No. 3	-	600.00					
xi.	**Nabsamrudhhi Financial Limited**							
	Term Loan No. 2	-	316.50					
	Term Loan No. 3	-	374.66					
xii.	**Jain Sons Finlease Limited**							
	Term Loan No. 1	-	95.92					
xiii.	**Electronica Finance Limited**							
	Term Loan No. 1	-	146.99					
xiv.	**Hinduja Leyland Finance Limited**							
	Term Loan No. 1	-	938.39					
xv.	**Arohan Financial Services Limited**							
	Term Loan No. 1	-	47.26					
xvi.	**Shine Star Build Cap**							
	Term Loan No. 1	-	144.29					
	Sub-Total	**1,727.04**	**10,052.99**					
	Total-long term borrowings	**24,275.46**	**24,482.53**					

*** EMI = Equated Monthly Installments**

15.3. Details of security given for the loan

a. Exclusive charge by way of hypothecation of standard loan receivables (other than specifically charged) of the Company to the extent of 110% of outstanding loans.

b. Exclusive charge by way of hypothecation of standard loan receivables (other than specifically charged) of the Company to the extent of 110% of outstanding loans. Collaterally secured with 10% of the loan amount by way of term deposit along with the interest accrued thereon.

c. Exclusive charge by way of hypothecation of standard loan receivables (other than specifically charged) of the Company to the extent of 100% of outstanding loans. Corporate Guarantee of M/s GTFS Multi Services Limited for 25% of the sanction amount. Further a 5% -20% of the total credit facilities sanctioned in the form of lien marked term deposits with the bank.

d. Exclusive charge by way of hypothecation of standard loan receivables (other than specifically charged) of the Company to the extent of 100% of outstanding loans. Corporate Guarantee of M/s GTFS Multi Services Limited and personal guarantee of one of the Directors. Further a 10% of the total credit facilities sanctioned in the form of lien marked term deposits with the bank.

e. First and exclusive charge of microfinance loan portfolio (book debts) and future receivables therein by way of hypothecation to the extent of 110% of loan outstanding and interest accrued on a continuing basis. Only standard assets will be considered for arriving at the value of underlying pool of assets. The borrower shall deposit with the lender duly discharged term deposit receipts for an amount equivalent to 5% -10% of the loan amount disbursed for the tenure of this facility.

f. First and exclusive charge of microfinance loan portfolio (book debts) and future receivables therein by way of hypothecation to the extent of 110% of loan outstanding and interest accrued on a continuing basis. Only standard assets will be considered for arriving at the value of underlying pool of assets.

g. First and exclusive charge of microfinance loan portfolio (book debts) and future receivables therein by way of hypothecation to the extent of 100% of loan outstanding on a continuing basis. Only standard assets will be considered for arriving at the value of underlying pool of assets.

h. Exclusive charge by way of hypothecation of standard loan receivables (other than specifically charged) of the Company to the extent of 118% of outstanding loans. Personal guarantee of one of the Directors. Further a 10% of the total credit facilities sanctioned in the form of lien marked term deposits with the bank.

i. Exclusive charge by way of hypothecation of standard loan receivables (other than specifically charged) of the Company to the extent of 111% of outstanding loans. Corporate Guarantee of M/s GTFS Multi Services Limited and personal guarantee of one of the Directors. Further a 18% of the total credit facilities sanctioned in the form of lien marked term deposits with the bank.

j. Exclusive charge by way of hypothecation of standard loan receivables (other than specifically charged) of the Company to the extent of 100% of outstanding loans. Further a 10% of the total credit facilities sanctioned in the form of lien marked term deposits with the bank.

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16. Subordinated debt

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured		
Subordinated debt (Tier II capital)*	500.42	500.43
	500.42	**500.43**

*Subordinated Debt have a tenure of 72 months and carries rate of interest at 17.00% and are repayable in two equal instalments at end of 5.5 years and 6 years from the date of disbursement.

17. Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Employee related liabiliites	167.83	199.07
Outstanding liability for expenses	20.84	9.93
	188.67	**209.00**

18. Current tax liabilities (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for income tax	-	339.37
	-	**339.37**

19. Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Contingent provision against standard assets	70.80	82.80
Provision for compensated absence	37.31	37.69
Provision for gratuity (Refer Note 36)	0.10	10.87
	108.21	**131.36**

20. Other non-financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	34.76	39.21
	34.76	**39.21**

Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)

(All amount in ₹ lakhs, unless otherwise stated)

21. Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Authorized share capital				
Equity shares of ₹ 10 each	7,50,00,000	7,500.00	7,50,00,000	7,500.00
	7,50,00,000	**7,500.00**	**7,50,00,000**	**7,500.00**
Issued, Subscribed and Fully Paid Up				
Equity shares of ₹ 10 each	4,82,96,200	4,829.62	4,82,96,200	4,829.62
	4,82,96,200	**4,829.62**	**4,82,96,200**	**4,829.62**

(a) There is no movement in the equity share capital issued by the Company during the year and hence the reconciliation is not required.

(b) 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. The Company declares and pays dividend in Indian Rupees which are approved in the ensuing annual general meeting. The holder of equity shares are entitled to receive dividend as declared from time to time. In the event of liquidation, the Equity Shareholders are entitled to receive the remaining Assets of the Company after distribution of all Preferential amounts, in proportion to their shareholdings.

(c) Shares held by the Holding Company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of shares	% of holding	No of shares	% of holding
GTFS Multi Services Limited	3,48,15,600	72.09%	3,48,15,600	72.09%

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	% of holding	Number	% of holding
a) GTFS Multi Services Limited (Holding Company)	3,48,15,600	72.09%	3,48,15,600	72.09%
b) Abira Majumder	37,10,400	7.68%	36,95,000	7.65%
c) Aatreyee Majumder	30,00,000	6.21%	30,00,000	6.21%
d) Adipta Majumder	30,00,000	6.21%	30,00,000	6.21%

(e) Shares held by Promoters at the end of the year

Name of Promoter	% Change during the Year	As at March 31, 2022		As at March 31, 2021	
		No. of shares	% of total shares	No. of shares	% of total shares
Fully Paid-up Equity Shares of ₹10 each: GTFS Multi Services Limited	-	3,48,15,600	72.09%	3,48,15,600	72.09%

Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)

(All amount in ₹ lakhs, unless otherwise stated)

22. Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Securities Premium		
Opening Balance	855.13	855.13
Add: Received on Issue of Equity Shares for the year	-	-
Closing Balance	**855.13**	**855.13**
Statutory Reserve		
Opening Balance	1,132.69	1,132.69
Add: Transferred from Retained Earnings	72.93	-
Closing Balance	**1,205.62**	**1,132.69**
Retained Earnings		
Opening Balance	2,187.62	3,059.42
Add: Profit/(Loss) for the year	364.65	(490.85)
Add: Other Comprehensive Income for the year	1.50	5.42
Less: Dividend Paid	-	(386.37)
Less: Amount Transferred to Statutory Reserve	(72.93)	-
Closing Balance	**2,480.84**	**2,187.62**
	4,541.59	**4,175.44**

Nature and Purpose of Reserves:

i) Securities premium

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

ii) Statutory reserve

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

iii) Retained earnings

Retained Earnings generally represent the undistributed profits/ amount of accumulated earnings of the Company. This includes Other Comprehensive Income of ₹ (6.63) lakhs (previous year ₹ (8.13) lakhs) relating to remeasurement of defined benefit plans (net of tax) which cannot be reclassified to profit or loss.

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(All amount in ₹ lakhs, unless otherwise stated)

23. Interest income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
On Financial Assets measured at Amortised Cost		
Interest on loans	6,167.72	10,031.99
Interest on deposits	309.00	452.87
	6,476.72	**10,484.86**

24. Dividend income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Dividend income	28.10	0.89
	28.10	**0.89**

25. Interest on income tax refund

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on income tax	11.17	-
	11.17	**-**

26. Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Miscellaneous income*	68.67	2.68
Provision no longer required written back	2,154.05	-
	2,222.72	**2.68**

* Includes bad debt recovery ₹ 6.83 and creditors written back ₹ 53.31 (Previous year ₹ 1.97 and ₹ 0.15 respectively)

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(All amount in ₹ lakhs, unless otherwise stated)

27. Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on borrowings	2,785.12	4,506.65
Interest on debt securities	391.19	973.22
Interest on subordinated liabilities	42.60	84.83
Other interest expense	27.04	20.64
	3,245.95	**5,585.34**

28. Impairment of financial instruments

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
On Financial instruments measured at Amortised Cost		
Loans	-	2,999.98
	-	**2,999.98**

29. Employee benefits expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	1,536.03	1,448.52
Contribution to provident and other funds	147.72	143.34
Staff welfare expenses	40.91	42.23
	1,724.66	**1,634.09**

30. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on Property, plant and equipment	27.73	36.89
Amortisation of intangible assets	9.14	13.01
	36.87	**49.90**

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(All amount in ₹ lakhs, unless otherwise stated)

31. Other Expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Electricity charges	22.23	23.84
Rent*	360.40	335.44
Repairs & maintenance	20.84	17.08
Software maintenance	12.90	9.45
Director sitting fees	14.17	20.11
Printing & stationery	24.30	28.48
Telephone expenses	43.83	34.30
Travelling expenses	204.11	159.78
Membership fees	10.32	14.57
Professional fees	86.92	51.02
Statutory auditor's remuneration		
- For statutory audit	12.00	17.00
- For limited review	4.50	7.00
- For certification fees**	5.19	0.64
Corporate social responsibility ('CSR') Expenses	48.29	44.04
Consultancy charges	48.99	43.37
Training expenses	6.22	9.54
Rates & taxes	7.37	13.49
Internal audit fees	9.07	9.36
Security & contractual manpower expenses	4.41	5.33
Insurance premium paid	16.57	15.36
Bad Debts written off	2,509.21	-
Less: Provision for Impairment Loss Allowance	(291.74)	-
Miscellaneous expenses	37.13	34.11
	3,217.23	**893.31**

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

** Includes fees of ₹ 3.00 Lakhs paid to previous auditor.

Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)

(All amount in ₹ lakhs, unless otherwise stated)

32. Additional Information to the Financial Statements

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

Particulars	As at March 31, 2022	As at March 31, 2021
Contingent Liabilities	NIL	NIL
Capital Commitments		
Estimated Amount of Contracts remaining to be executed and not provided for	NIL	NIL

32.2. 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, 2022 are as under:

	Description	For the Year ended March 31, 2022	For the Year ended March 31, 2021
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	-	-

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Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)

(All amount in ₹ lakhs, unless otherwise stated)

33. List of Related Parties and Relationship

Name	Relationship
GTFS Multi Services Limited	Holding Company
Key Managerial Personnel (KMP)	
Mr. Dipankar Chatterji	Non Executive Chairman
Mr. Sourav Ghosh	Managing Director
Ms. Aatreyee Majumder	Whole Time Director
Mr. Jaydeep Ghosh	Whole Time Director and CEO
Mr. Rana Som	Nominee Director (upto 20.09.2021)
Mr. Samir Kumar Barua	Director (upto 14.07.2021)
Mrs. Shanta Ghosh	Director
Mr. Pratip Choudhari	Director
Mr. Sandip Ghose	Director (upto 15.07.2021)
Mr. Indrajit Gupta	Director (ceased w.e.f. 30.04.2020)
Relative of Key Managerial Personnel (KMP)	
Mr. Bhabesh Majumder	Father of Aatreyee Majumder
Mrs. Sona Majumder	Mother of Aatreyee Majumder
Other Related Parties	
Mrs. Abira Majumder	Individual having significant influence
Mr. Adipta Majumder	Individual having significant influence

Transaction with Related Parties

Particulars	Holding Company	KMP & their relatives	Other Related Parties
Dividend Paid	-	-	-
	(278.52)	(-)	(-)
Dividend Paid to Ms. Aatreyee Majumder	-	-	-
	(-)	(24.00)	(-)
Dividend Paid to Mrs. Sona Majumder	-	-	-
	(-)	(12.80)	(-)
Dividend Paid to Mrs. Abira Majumder	-	-	-
	(-)	(-)	(29.28)
Dividend Paid to Mr. Adipta Majumder	-	-	-
	(-)	(-)	(24.00)
Rent and Maintenance Charges	218.50	-	-
	(199.53)	(-)	(-)

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(All amount in ₹ lakhs, unless otherwise stated)

33. List of Related Parties and Relationship (Contd.)

Transaction with Related Parties (Contd.)

Particulars	Holding Company	KMP & their relatives	Other Related Parties
Rent and Maintenance Charges (paid to Mr. Bhabesh Majumder)	-	3.36	-
	(-)	(2.83)	(-)
Remuneration of Mr. Sourav Ghosh	-	38.94	-
	(-)	(36.00)	(-)
Remuneration of Ms. Aatreyee Majumder	-	35.92	-
	(-)	(33.00)	(-)
Remuneration of Mr. Jaydeep Ghosh	-	35.92	-
	(-)	(33.00)	(-)
Sitting Fees to Mr. Samir Kumar Barua	-	0.16	-
	(-)	(4.20)	(-)
Sitting Fees to Mrs. Shanta Ghosh	-	2.62	-
	(-)	(2.51)	(-)
Sitting Fees to Mr. Pratip Chaudhuri	-	1.91	-
	(-)	(1.80)	(-)
Sitting Fees to Mr. Dipankar Chatterji	-	5.34	-
	(-)	(3.70)	(-)
Sitting Fees to Mr. Sandip Ghose	-	0.16	-
	(-)	(4.36)	(-)
Sitting Fees to Mr. Rana Som	-	3.98	-
	(-)	(3.54)	(-)

Numbers in brackets represent previous year's figures

Balance Outstanding as at the end of the reporting period

Particulars	Holding Company	KMP & their relatives	Other Related Parties
Remuneration Payable to Mr. Sourav Ghosh	-	1.37	-
	(-)	(2.66)	(-)
Remuneration Payable to Ms. Aatreyee Majumder	-	2.16	-
	(-)	(2.44)	(-)
Remuneration Payable to Mr. Jaydeep Ghosh	-	0.76	-
	(-)	(2.44)	(-)
Equity Share Capital held by GTFS Multi Services Private Limited	3,481.56	-	-
	(3,481.56)	(-)	(-)
Equity Share Capital held by Ms. Aatreyee Majumder	-	300.00	-
	(-)	(300.00)	(-)
Equity Share Capital held by Mrs. Abira Majumder	-	-	371.04
	(-)	(-)	(365.54)
Equity Share Capital held by Mr. Adipta Majumder	-	-	300.00
	(-)	(-)	(300.00)
Equity Share Capital held by Mrs. Sona Majumder	-	160.01	-
	(-)	(160.01)	(-)
Security Deposit for Rent	69.76	-	-
	(69.76)	(-)	(-)

Numbers in brackets represent previous year's figures

Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)

(All amount in ₹ lakhs, unless otherwise stated)

33. List of Related Parties and Relationship (Contd.)

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

Particulars	Mr. Sourav Ghosh	Ms. Aatreyee Majumder	Mr. Jaydeep Ghosh
Short Term Employee Benefits			
- Basic Salary	17.86	16.40	16.40
- House Rent and Other Allowances	18.94	17.55	17.55
Post Employment Benefits			
- Contribution to Provident Fund	2.14	1.97	1.97
Total Remuneration	**38.94**	**35.92**	**35.92**

Details of Remuneration paid/ payable to Key Managerial Personnel for the year ended March 31, 2021

Particulars	Mr. Sourav Ghosh	Ms. Aatreyee Majumder	Mr. Jaydeep Ghosh
Short Term Employee Benefits			
- Basic Salary	17.10	15.60	15.60
- House Rent and Other Allowances	16.85	15.53	15.53
Post Employment Benefits			
- Contribution to Provident Fund	2.05	1.87	1.87
Total Remuneration	**36.00**	**33.00**	**33.00**

* Post Employment Benefits contribution do not include contribution towards Gratuity for the individual KMPs as the individual data for the same is not available and the same is provided for based on actuarial valuation.

The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.

34. Earnings Per Share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/(Loss) for the year available to Equity Shareholders (₹)	364.65	(490.85)
Weighted Average Number of Equity Shares	482.96	482.96
Par Value per Equity Share (₹)	10.00	10.00
Basic and Diluted Earnings per Share (₹)	0.76	(1.01)

Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)

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35. Corporate Social Responsibility (CSR) Expenditure

In accordance to Section 135 of Companies Act 2013, the Company has incurred ₹ 48.29 (Previous year: ₹ 44.04) 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, ₹ 6.03 (Previous year: ₹ 2.31) has been donated by the Company to the Prime Minister's National Relief Fund (PMNRF).

Particulars		2021-22	2020-21
a)	Gross Amount required to be spent by the Company during the year	42.49	34.11
b)	Gross Amount approved by Board to be spent by the Company during the year	46.99	48.52

c) 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	48.29	-	48.29

(d) Details of related party transactions during the year 2021-22 : NIL

(f) Excess Amount spent as per Section 135 of the Companies Act, 2013

(i)	Opening Balance of Excess Spent in Previous Years	-
(ii)	Amount required to be spent during the Year	42.49
(iii)	Amount spent during the year	48.29
(iv)	Closing Balance of Excess Amount spent	5.80

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.

Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)
(All amount in ₹ lakhs, unless otherwise stated)

36. Defined Benefit Plan (Contd.)

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	As At March 31, 2022	As At March 31, 2021
Reconciliation of Present Value of Defined Benefit Obligation		
Obligation at the beginning of the year	92.23	75.51
Current Service Cost	22.13	22.90
Interest Cost	6.28	5.05
Past Service Cost	-	-
Actuarial (gains)/ losses recognised in Other Comprehensive Income		
- Changes in Experience Adjustments	6.63	(5.35)
- Changes in Financial Assumptions	(10.19)	(2.73)
Benefits Settled	(11.48)	(3.15)
Obligation at the end of the year	**105.60**	**92.23**
Reconciliation of Present Value of Plan Assets		
Plan Assets at the beginning of the year, at Fair Value	81.36	50.50
Interest Income on Plan Assets	5.86	3.45
Re-measurement- Actuarial Gain	(0.60)	-
Return on Plan Assets	(1.55)	(0.78)
Employer Contributions	31.91	31.34
Benefits Settled	(11.48)	(3.15)
Plan Assets at the end of the year, at Fair Value	**105.50**	**81.36**
Net Defined Benefit Liability	**0.10**	**10.87**

36.2. Expense Recognised in Profit or Loss

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Current Service Cost	22.13	22.90
Interest Cost	6.28	5.05
Net Gratuity Cost	**28.41**	**27.95**

Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)
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36. Defined Benefit Plan (Contd.)

36.3. Income Recognised in Profit or Loss

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest Income	5.86	3.40
Net Gratuity Income	**5.86**	**3.40**

36.4. Re-measurement Recognised in Other Comprehensive Income

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Re-measurement of the Net Defined Benefit Liability		
- Changes in Experience Adjustments	(10.19)	(2.73)
- Changes in Financial Assumptions	6.63	(5.35)
Re-measurement of the Net Defined Benefit Asset		
Return on Plan Assets (greater)/ less than discount rate	1.55	0.79
Total Actuarial (gain)/ loss included in OCI	**(2.01)**	**(7.29)**

36.5. Plan Assets

Particulars	As At March 31, 2022	As At March 31, 2021
Funds managed by Insurer	100%	100%

36.6. Defined Benefit Obligation - Actuarial Assumptions

Particulars	As At March 31, 2022	As At March 31, 2021
Discount Rate	7.26%	6.83%
Expected Return on Plan Asset	7.26%	6.83%
Rate of Compensation Increase (Salary Inflation)	6.00%	6.00%
Early Retirement & Disablement (All Causes Combined)	1.00%	1.00%

36. Defined Benefit Plan (Contd.)

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, 2022			
	Increase	%	Decrease	%
Discount Rate (+/- 100 basis points)	95.09	-9.95%	117.56	11.32%
Future Salary Growth (+/- 100 basis points)	117.59	11.36%	94.98	-10.06%
Attrition Rate (+/- 100 basis points)	105.51	-0.09%	105.70	0.09%
Mortality Rate (+/- 100 basis points)	105.68	0.08%	105.52	-0.08%

Particulars	March 31, 2021			
	Increase	%	Decrease	%
Discount Rate (+/- 100 basis points)	82.59	-10.46%	103.26	11.96%
Future Salary Growth (+/- 100 basis points)	103.25	11.95%	82.52	-10.54%
Attrition Rate (+/- 100 basis points)	92.09	-0.16%	92.38	0.16%
Mortality Rate (+/- 100 basis points)	92.28	0.05%	92.19	-0.05%

36.8. Table Showing Cash Flow Information

Particulars	As At March 31, 2022	As At March 31, 2021
Next Year Liability (Expected)	139.76	124.69
Minimum Funding Requirements	27.43	39.17
Company's Discretion	-	-

36.9. Table Showing Maturity Analysis of the Defined Benefit Plan

Particulars	As At March 31, 2022	As At March 31, 2021
Year 1	0.80	1.35
Year 2	0.87	0.65
Year 3	0.92	0.71
Year 4	1.00	0.75
Year 5 and above	625.95	526.66
Total Undiscounted Payments related to Past Service	0.01	530.13
Less Discount For Interest	523.93	437.89
Projected Benefit Obligation	(0.01)	92.23

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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 through- out the Company. The risk management process is continuously reviewed, improved and adapted in the context of changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

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

37.1. Credit Risk

The Company is a Semiurban and 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 Semiurban and 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.

37. Risk Management and Impairment Allowance (Contd.)

37.1. Credit Risk (Contd.)

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.

Interest rate risk exposure on financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Rate Borrowings	10,543.88	16,937.32
Variable Rate Borrowings	18,536.74	14,355.16
Total Borrowings*	**29,080.62**	**31,292.48**

* Before adjustment of processing cost

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37. Risk Management and Impairment Allowance (Contd.)

37.2a. Interest Rate Risk (Contd.)

Sensitivity Analysis

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

Finance Cost	Impact of Profit before tax		Impact on Equity	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Increase by 50 basis points	(92.68)	(71.78)	(92.68)	(71.78)
Decrease by 50 basis points	92.68	71.78	92.68	71.78

The above sensitivity has been calculated holding all other variables constant.
As the Company has accumulated losses, the tax impact has not been considered for sensitivity.

37.2b. Liquidity Risk

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

The table in Note No. 40.7 provide details regarding the contractual maturities of significant financial assets and liabilities as at year end.

Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)

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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, 2022		
	Within 12 Months	After 12 Months	Total
Cash and Cash Equivalents	3,159.72	-	3,159.72
Other Balances with Bank	3,410.03	787.17	4,197.20
Loans	23,940.41	5,803.55	29,743.96
Other Financial Assets	288.32	-	288.32
Tax Assets (Net)	155.53	852.53	1,008.06
Property, Plant and Equipment	-	66.20	66.20
Other Intangible Assets	-	25.79	25.79
Other Non-financial Assets	74.86	-	74.86

Assets	As at March 31, 2021		
	Within 12 Months	After 12 Months	Total
Cash and Cash Equivalents	1,922.28	-	1,922.28
Other Balances with Bank	2,494.03	1,857.40	4,351.43
Loans	19,731.57	12,380.48	32,112.05
Other Financial Assets	172.54	1,292.34	1,464.88
Tax Assets (Net)	57.36	1,002.39	1,059.75
Property, Plant and Equipment	-	92.26	92.26
Other Intangible Assets	-	29.49	29.49
Other Non-financial Assets	54.36	-	54.36

Liabilities	As at March 31, 2022		
	Within 12 Months	After 12 Months	Total
Trade Payables	64.07	-	64.07
Debt Securities	2,104.74	2,200.00	4,304.74
Borrowings (Other than Debt Securities)	12,898.83	11,093.20	23,992.03
Subordinated Liabilities	0.42	500.00	500.42
Other Financial Liabilities	188.67	-	188.67
Current Tax Liabilities (Net)	-	-	-
Provisions	71.18	37.03	108.21
Other Non-financial Liabilities	34.76	-	34.76

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38. Maturity Analysis of Assets and Liabilities (Contd.)

Liabilities	As at March 31, 2021		
	Within 12 Months	After 12 Months	Total
Trade Payables	247.75	-	247.75
Debt Securities	1,684.52	4,625.00	6,309.52
Borrowings (Other than Debt Securities)	17,486.63	6,818.16	24,304.79
Subordinated Liabilities	0.43	500.00	500.43
Other Financial Liabilities	209.00	-	209.00
Current Tax Liabilities (Net)	339.37	-	339.37
Provisions	94.17	37.19	131.36
Other Non-financial Liabilities	39.21	-	39.21

* For the year ended March 31, 2022, 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:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
a) Measured at Amortised Cost				
i) Cash and Cash Equivalents	3,159.72	3,159.72	1,922.28	1,922.28
ii) Other Bank Balances	4,197.20	4,197.20	4,351.43	4,351.43
iv) Loans	29,743.96	29,743.96	32,112.05	32,112.05
v) Other Financial Assets	288.32	288.32	1,464.88	1,464.88
Total Financial Assets	**37,389.20**	**37,390.20**	**39,850.64**	**39,850.64**
Financial liabilities				
a) Measured at Amortised Cost				
i) Payables	64.07	64.07	247.75	247.75
ii) Debt Securities	4,304.74	4,304.74	6,309.52	6,309.52
iii) Borrowings (Other than Debt Securities)	23,992.03	23,992.03	24,304.79	24,304.79
iv) Subordinated Liabilities	500.42	500.42	500.43	500.43
Total Financial Liabilities	**28,861.26**	**28,861.26**	**31,362.49**	**31,362.49**

(All amount in ₹ lakhs, unless otherwise stated)

39. Financial Instruments and Related Disclosures (Contd.)

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

Loans Measured at Amortised Cost

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

Other Financial Assets Measured at Amortised Cost

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

Debt Securities, Subordinated Liabilities and Other Borrowings Measured at Amortised Cost

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

39. Financial Instruments and Related Disclosures (Contd.)

Fair Value Hierarchy of Financial Assets and Financial Liabilities:

Particulars	As at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	29,743.96	29,743.96
Other Financial Assets	-	-	288.32	288.32
	-	**-**	**30,032.28**	**30,032.28**
Financial Liabilities				
Debt Securities	-	-	4,304.74	4,304.74
Borrowings (Other than Debt Securities)	-	-	23,992.03	23,992.03
Subordinated Liabilities	-	-	500.42	500.42
	-	**-**	**28,797.19**	**28,797.19**

Particulars	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	32,112.05	32,112.05
Other Financial Assets	-	-	1,464.88	1,464.88
	-	**-**	**33,575.93**	**33,576.93**
Financial liabilities				
Debt Securities	-	-	6,309.52	6,309.52
Borrowings (Other than Debt Securities)	-	-	24,304.79	24,304.79
Subordinated Liabilities	-	-	500.43	500.43
	-	**-**	**31,114.74**	**31,114.74**

Valuation Technique and Significant Unobserved Inputs used:

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

C) Utilization of Borrowed Funds and Securities Premium

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

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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

Capital Ratios	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	Variance
Tier I Capital as a percentage of Total Risk Weighted Assets (%)	8,493.57	33,710.92	25.20%	21.41%	17.68%
Tier II Capital as a percentage of Total Risk Weighted Assets (%)	372.78	33,710.92	1.10%	1.19%	-7.56%
Total Capital (%)	**8,866.35**	**33,710.92**	**26.30%**	**22.60%**	**16.35%**

40.2. Liquidity Coverage Ratio

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

40.3. Ratings

Particulars	Rating Agency	Ratings	Date	Valid upto	Amount
Term Borrowings from Banks and Sub Debt	Aquite	BBB+	19-Jun-21	7-Apr-22	400.00 Crore
Non Convertible Debentures	ICRA	BB+	4-Jun-21	4-Jun-22	77.00 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 & indirect

The Company does not have any direct or indirect exposure to the real estate sector as at March 31, 2022.

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 securitization 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 Draw Down from Reserves, Concentration of Deposits, Advances, Exposures and NPAs during the current and previous years.

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40. RBI Disclosures (Contd.)

40.7. Maturity Pattern of Assets and Liabilities

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

Particulars	Liabilities			Assets	
	Borrowings from banks and others	Market borrowings	Total	Advances	Total
Up to one Month	1,239.57	179.74	1,419.31	2,259.22	2,259.22
Over one Month to 2 Months	1,038.23	-	1,038.23	2,487.52	2,487.52
Over 2 Months upto 3 Months	1,140.40	-	1,140.40	2,667.15	2,667.15
Over 3 Months upto 4 Months	1,032.18	-	1,032.18	2,534.52	2,534.52
Over 4 Months upto 6 Months	3,428.89	-	3,428.89	5,132.48	5,132.48
Over 6 Months to 1 Year	5,803.41	1,925.00	7,728.41	9,637.58	9,637.58
Over 1 Year to 3 Years	10,843.20	2,200.00	13,043.20	5,803.55	5,803.55
Over 3 Years to 5 Years	250.00	-	250.00	-	-
Over 5 Years	-	-	-	-	-
Total	**24,775.88**	**4,304.74**	**29,080.62**	**30,522.02**	**30,522.02**

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 31,2021

Particulars	Liabilities			Assets:	
	Borrowings from banks and others	Market borrowings	Total	Advances	Total
Up to one Month	2,666.56	259.52	2,926.08	1,766.65	1,766.65
Over one Month to 2 Months	1,770.73	-	1,770.73	2,476.92	2,476.92
Over 2 Months upto 3 Months	1,904.90	-	1,904.90	2,860.01	2,860.01
Over 3 Months upto 4 Months	1,462.16	-	1,462.16	2,872.39	2,872.39
Over 4 Months upto 6 Months	4,383.76	-	4,383.76	4,759.47	4,759.47
Over 6 Months to 1 Year	5,485.03	1,925.00	7,410.03	8,663.26	8,663.26
Over 1 Year to 3 Years	6,628.10	1,925.00	8,553.10	12,380.48	12,380.48
Over 3 Years to 5 Years	681.72	2,200.00	2,881.72	-	-
Over 5 Years	-	-	-	-	-
Total	**24,982.96**	**6,309.52**	**31,292.48**	**35,779.18**	**35,779.18**

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.

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40. RBI Disclosures (Contd.)

40.8. Movement of Loan and Estimated Credit Loss (ECL)

Particulars	As At March 31, 2022				As At March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Value of Assets Opening Balance	16,557.19	16,515.13	2,687.34	35,759.66	47,005.90	96.08	243.64	47,345.62
New Assets originated during the year, netted off for repayments and derecognised portfolio	3,923.45	(3,651.55)	(2,564.54)	(2,292.64)	(13,192.48)	(69.10)	1,740.08	(11,521.50)
Assets written off during the year	(64.12)	(2,387.82)	(69.31)	(2,521.25)	-	-	(64.46)	(64.46)
Movement between Stages								
Transfer to Stage 1	5,796.02	(5,761.27)	(34.75)	-	2.22	(1.16)	(1.06)	-
Transfer to Stage 2	-	-	-	-	(16,489.32)	16,489.32	-	-
Transfer to Stage 3	-	(1,193.53)	1,193.53	-	(769.13)	(0.01)	769.14	-
Gross Carrying Value of Assets Closing Balance	**26,212.54**	**3,520.96**	**1,212.27**	**30,945.77**	**16,557.19**	**16,515.13**	**2,687.34**	**35,759.66**
ECL Allowance - Opening Balance	47.53	1,651.51	2,035.65	3,734.69	485.56	80.63	228.68	794.87
New Assets originated during the year, netted off for repayments and de-recognised portfolio	-	(118.39)	(2,035.65)	(2,154.04)	(393.08)	(77.93)	1,146.54	675.53
Assets written off during the year	(0.17)	(238.79)	(69.08)	(308.04)	-	-	(60.50)	(60.50)
Movement between Stages								
Transfer to Stage 1	23.45	(23.45)	-	-	0.01	(0.12)	(0.99)	(1.10)
Transfer to Stage 2	-	-	-	-	(42.96)	1,648.93	-	1,605.97
Transfer to Stage 3	-	(969.09)	969.09	-	(2.00)	-	721.92	719.92
ECL Allowance - Closing Balance	**70.81**	**301.79**	**900.01**	**1,272.61**	**47.53**	**1,651.51**	**2,035.65**	**3,734.69**

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40. RBI Disclosures (Contd.)

40.8. Movement of Loan and Estimated Credit Loss (ECL) (Continued)

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

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS	Net Carrying Amount	Provisions as required as per IRACP norms*	Differences between Ind AS 109 and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
Performing Assets						
Standard	Stage 1	26,212.54	-	26,212.54	-	-
	Stage 2	3,322.43	281.94	3,040.49	-	281.94
Subtotal		29,534.97	281.94	29,253.03	-	281.94
Non Performing Assets (NPA)						
Substandard	Stage 2	198.53	19.85	58.69	376.68	19.85
	Stage 3	1,212.27	900.01	312.26		523.33
Subtotal		1,410.80	919.86	370.95	376.68	543.18
Other items such as guarantees, loan commitments etc. which are in the scope of IndAS 109 but not covered under IRACP	NOT APPLICABLE					
Subtotal	-	-	-	-	-	-
	Stage 1	**26,212.54**	**-**	**26,212.54**	**-**	**-**
Total	**Stage 2**	**3,520.96**	**301.79**	**3,040.49**	**-**	**281.94**
	Stage 3	**1,212.27**	**900.01**	**370.95**	**376.68**	**543.18**

* 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.

Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)

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40. RBI Disclosures (Contd.)

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

Disclosure pertaining to Resolution framework for COVID-19 related Stress vide Reserve Bank of India notification RBI/2020-21/16 DOR.No.BP.BC/3/21.048/2020-21 dated August 6, 2020 and RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 (₹ in Lakhs)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half year	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of this half year
	(A)	(B)	(C)	(D)	(E)
Personal Loans	-	-	-	-	-
Corporate persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	9,084.54	352.90	252.72	3,968.26	4,510.65
Total	**9,084.54**	**352.90**	**252.72**	**3,968.26**	**4,510.65**

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 13.09%.

During the year the Company has charged an average interest rate of 18.62%, calculated on average monthly balances of outstanding loan portfolio.

Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)

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42. Additional information to the financial statements

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

Particulars	Amount	Amount
Liabilities side:	**Outstanding**	**Overdue**
1) Loans & advances availed by the NBFC inclusive of accrued interest thereon but not paid		
(a) Debentures: Secured	4,304.74	Nil
Unsecured	Nil	Nil
(Other than falling within the meaning of public deposits)		
(b) Deferred credits	Nil	Nil
(c) Term loans	24,492.45	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	30,945.77
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 have been repossessed	Nil
(b) Loans other than (a) above	Nil

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42. Additional information to the financial statements (Contd.)

5) Break up of investments

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

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Notes to the Financial Statements as at and for the year ended March 31, 2022 (Contd.)
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42. Additional information to the financial statements (Contd.)

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	29,743.96	29,743.96
Total	**Nil**	**29,743.96**	**29,743.96**

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

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

8) Other Information:

Particulars	Book value
(i) Gross non-performing assets*	
(a) Related parties	Nil
(b) Other than related parties	1,410.81
(ii) Net non performing assets*	
(a) Related parties	Nil
(b) Other than related parties	370.97
(iii) Assets acquired in satisfaction of debt	Nil

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

43 Segment Information

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

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44. 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 pandemic 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.

45. Previous Year's Figures

The Schedule III to the Companies Act, 2013 vide notification dated March 24, 2021 issued by Ministry of Corporate Affairs (MCA) has been amended with effect from April 01, 2021 and accordingly, comparative figures, of the previous year have been compiled/ restated wherever applicable to make them comparable with those of the current year's figures.

46. Adoption in Board Meeting

This Financial Statements together with the Accounting Policies and Notes have been adopted in the Meeting of the Board dated May 21, 2022.

For LODHA & CO
Chartered Accountants
Firm's Registration No.: 301051E

Boman R Parakh
Partner
Membership No.: 053400

Place: Kolkata
Date: May 21, 2022

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: May 21, 2022

JAGARAN MICROFIN PRIVATE LIMITED
CIN: U74210WB1993PTC057457

ANNUAL REPORT OF THE INTERNAL COMPLAINTS COMMITTEE OF JAGARAN MICROFIN PRIVATE LIMITED FOR CALENDAR YEAR 2021 AS PER SECTION 21 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 AND AS PER RULE 14 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) RULES, 2013 –

Sl No	Particulars	Remarks
1	Number of complaints of sexual harassment received in the year	NIL
2	Number of complaints disposed off during the year	NIL
3	Number of cases pending for more than 90 days	NIL
4	Number of workshops and awareness programmes against sexual harassment carried out	10
5	Nature of action taken by the employer	NA

For **Jagaran Microfin Private Limited**

Aatreyee Majumder
Presiding Officer

Place: Kolkata
Date: 28.01.2022

Note

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JAGARAN

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