

ENABLE ENRICH EMPOWER

JAGARAN MICROFIN PRIVATE LIMITED



A stylized illustration in shades of red and orange. A woman in a sari is seated on the ground, leaning forward with her hands resting on the soil. To her left is a large, woven basket filled with leafy plants. The foreground is filled with rows of small, sprouting plants. In the background, a small, simple structure is visible on the horizon. The overall style is minimalist and artistic.

ENABLE ENRICH EMPOWER

Jagaran means awakening. In a society where economic inequality is an accepted norm and millions feel bereft of hope, we at Jagaran strive to awaken them to a dream. That dream is to make tomorrow better than yesterday, to be gainfully employed and to enhance the lives of the families that they belong to. We endeavor to find the ways and means to arrest the ever-widening gap between the haves and have-nots.

There is inequality in the spheres of information availability, educational facilities, health care and communication to name a few and consequently large portions of our nation have little access to the necessities which are essential to improve the quality of lives. Apart from the above, gender inequality is a challenge that erodes the social fabric of our nation.

Our experience as a rural-focused microfinance entity has made us realize that the women who run the millions of households across our villages have the innate ability to endure and progress. We have only been an enabler by fuelling their entrepreneurial spirit. In a way, this has also been our effort to address the issue of gender inequality.

Supporting the cause of these women has been a humbling experience. With our modest support and their own staunch belief, our customers have begun micro-enterprises that have enriched their lives and the lives of their family members. Buoyed by their success, they have become change agents and have influenced many others to associate with us. This journey of enablement, enrichment and empowerment plays out in front of our eyes every day and we are proud to be part of that journey.

EVERLASTING VALUES

We operate in an environment that requires a high level of human interaction. This means that empathy, understanding and respect for others form the core of our organization's value system. This core is buttressed by the four cornerstones of Transparency, Integrity, Determination and Innovation. We believe that if we continue to work with these values in mind, we will be able to evolve and improve in sync with the times.

VALUES



Transparency



Integrity



Determination



Innovation

Transparency - The majority of our customers are from rural India and they are comparatively unaware of the various products that are available in the financial services domain. This makes us responsible for not only informing them of the features, advantages and benefits of our products but also making them aware of other useful services and familiarizing them with the pitfalls in various fraudulent schemes that dot the rural landscape. We have imbibed this practice in our regular interactions and that helps us build faith, trust and loyalty.

Integrity - The actual test of integrity is the ability to pass the highest levels of scrutiny. Every member of our team rises to this challenge in their respective work areas. We undergo audits from the leading firms, subject ourselves to stress tests to measure compliance standards and have an exemplary set of people to oversee that we do not slip from our set of standards. Our Board comprises of eminent members from the financial services domain and we have consistently managed to improve our business and our external ratings.

Determination - We began operations in November 2010, the exact time when the microfinance crisis struck the nation. That experience has honed us to withstand adversity. We have embodied resilience as a part of our organizational culture, that has built in us the determination to stay invested in the vision, move forward with optimism and carve out a long term success story.

Innovation - Microfinance in India has seen periods of sudden changes and rapid transitions. We had realized early, that innovation in every facet of our activities would be a significant factor that would give us the edge. We continuously examine options to scale our business, simplify routine functions, enhance service delivery and improve our results without compromising on the satisfaction levels of our customers. Automation has and shall continue to remain the most crucial weapon in our arsenal to increase our level of efficiency.

MISSION

To build a professionally managed microfinance institution that is able to achieve a healthy amalgam of social and financial sustainability through economic empowerment as well as employment generation and foster entrepreneurship amongst the economically backward sections of the population in India.

VISION

Empower women of weaker sections of the society and integrate them with the mainstream through financial inclusion in an efficient, equitable and transparent manner and ensure their access to better livelihood, health and education.



MILESTONES

We had embarked on our journey with the Mission and Vision statements as our guiding lights. Looking back over the years, we realized that the arduous yet exciting times that we had were full of moments we could be proud of. Each milestone we have recorded here has acted as stepping stones for us.

- Jagaran started operations by opening its first branch at Baranagar, Kolkata in November 2010 with a workforce of 5 members
- Offered micro credit to active women borrowers for the income generating purpose in JLG model
- Became a wholly owned subsidiary of GTFS Multi Services Limited in April, 2011
- 50,000 borrowers offered loans during FY 2011

2011

- Reclassified as “NBFC-MFI” by Reserve Bank of India on 27-09-2013
- Extended operations in the state of Bihar by opening the Kishanganj branch in August, 2013
- Madhupur, the first branch in Jharkhand became operational in October, 2013

2013

2012

- Accomplished its first portfolio securitization transaction with Ratnakar Bank Limited amounting to ₹17 crores
- Appointed as an aggregator by PFRDA for distributing NPS-Lite (Swavalamban)
- Achieved 1,00,000 landmark disbursements by end of 2012

- Loan product “Jaga Griha” introduced for house repairing / renovation
- Spread operations in the state of Odisha
- Jagaran was engaged with Vodafone to provide m-pesa service to its customers
- Appointed as BC to IDBI Bank
- Achieved MFI 2 (3rd from top) grading by CARE Ratings in April 2015
- Achieved BB+/ (Stable) BLR rating rated by CRISIL Ratings in August 2015

2015

2014

- Received Capacity Building Support of ₹40 lakhs from SIDBI, supported by DFID, UK, mainly for Bihar under PSIG Scheme
- Social Performance Management (SPM) audit conducted by M2i Consulting for the first time and achieved Grade of “S3” [Good SPM] as Social Rating in July 2014
- Code of Conduct Assessment (COCA) conducted by ACCESS-ASSIST for the first time and achieved Grading of “A” in March 2014
- Achieved ‘mfR4’ MFI grade assigned by CRISIL Ratings

- Assigned Grading-MFI 2 (3rd from top) & Rating-BBB-/Stable from CARE Ratings
- Received ‘Skoch Order-of-Merit’ award
- Overall 88 branches
- Loan disbursed ₹256.43 crores
- Staff strength 454

2017

2016

- Achieved ‘AA’ grading on COCA by ACCESS ASSIST
- Overall 70 branches
- Loan disbursed ₹210.36 crores
- Staff strength 380
- Achieved ₹150 crores portfolio

- Overall 117 Branches across 5 states
- Loan disbursed ₹611.34 crores
- Issued ₹55.00 crores in NCDs to Blue Orchard Microfinance & Japan ASEAN Women Empowerment Fund
- Staff strength 699
- SMERA Ratings assigned “M2” for Grading “C2” for Code of Conduct (CoCA) (second from top)
- Achieved ₹398.54 crores portfolio

2019

2018

- Overall 108 branches
- Loan disbursed ₹427.45 crores
- Staff strength 582
- Achieved ₹260.36 crores portfolio



ENERGIZING **FORCE**

Apart from the values, the Mission and the overall Vision, the true force multiplier for us has been the unfailing support of our customers. We have always understood the needs of our customers, the requirements in the locality where they operate and tried to offer the best possible support within the prevailing guidelines. The connection, which we have built with our customers, can be ascribed to a few simple statements, which reside in our philosophy.

PHILOSOPHY

Service Excellence - Provide unfailing service at the right place and at the right time.

Product Offering - Listen to the market and offer practical solutions.

Support and Guidance - Understand problems and assist members whenever required.

ENGAGING **HISTORY**

Jagaran Microfin Private Limited is a subsidiary of GTFS Multi Services Limited (GTFSMSL), which was established way back in 1995 with a distinctive aim of providing a wide range of financial services. GTFSMSL management conceived the idea of commencing a Micro Finance business. To put their thoughts into action, SBT Consultants Private Limited, incorporated on 12th January, 1993, as a Category B, Non-Banking Finance Company (converted as NBFC on 18.03.1998) registered under the Reserve Bank of India (RBI) was acquired to promote Micro Finance Business under the brand name 'Jagaran' and accordingly the name of the company was changed to 'Jagaran Microfin Private Limited'. Jagaran commenced its microfinance operations from November 2010.



Number of
States 5



Number of
Districts 30



Number of
Branches 117



Number of
Employees 699



Number of Active
Borrowers 2,18,821



Loan Portfolio
3,98,54,29,771



Cumulative Amount
Disbursed 18,82,10,57,136



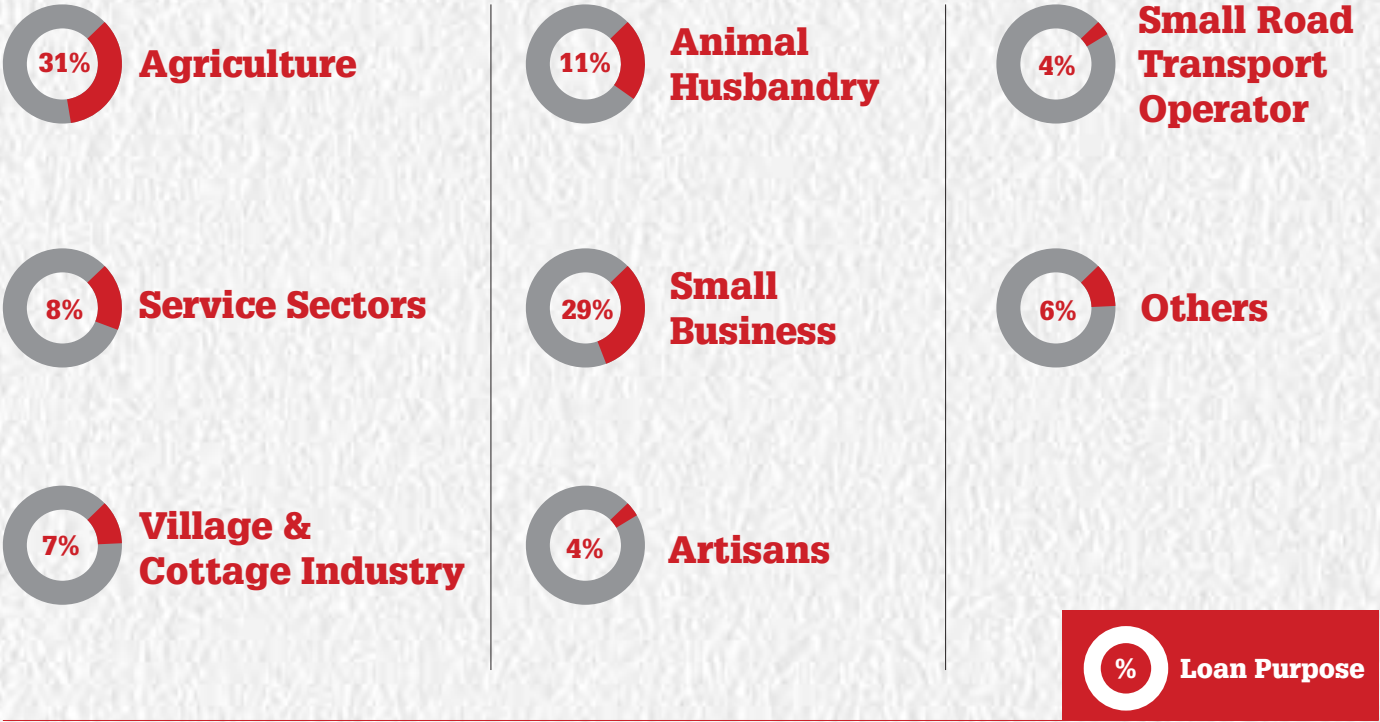
Number of Groups
65,804



ENABLING WITH **PASSION**

The borrowers who reach out to us for financial support earn their livelihoods through a wide spectrum of tiny to small business ventures. Every loan we offer is to generate income for our borrowers and we find that the women whom we lend to are industrious and believe in their abilities to grow their nascent businesses.

Apart from agriculture, which is undoubtedly the mainstay of our national economy, we find women running cottage industries, engaged as artisans and operating a large variety of small businesses, even from their homes. A snapshot is provided hereunder.



OFFERINGS

Our loans for income generation are offered under the brand name “SaraI”. As the name implies, it’s a loan that can be easily applied for and obtained. The other product we focus on is related to dwelling units and is offered under the brand name “Ashray”.

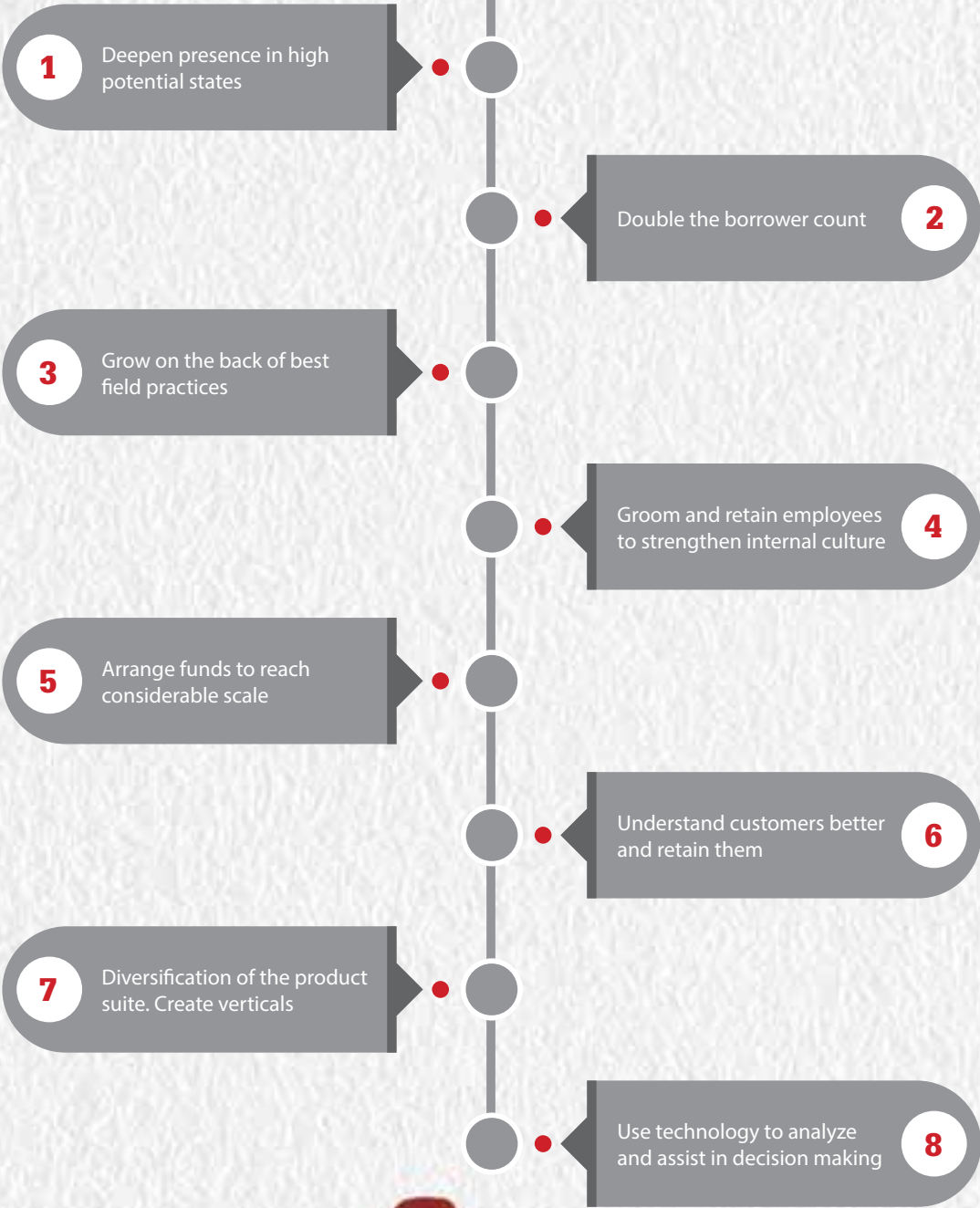
SARAL

This is a business financing loan scheme ranging from ₹5,000 to ₹50,000. This loan is offered to small entrepreneurs engaged in agriculture, animal husbandry, operating as artisans, running cottage industries or offering locally useful services for which they need working capital.

ASHRAY

This loan is offered to our long term borrowers who require support to renovate or repair their dwelling units and the loan goes upto ₹30,000.

STRATEGY FOR THE FUTURE



ENVISAGING **FUTURE**

We want to create a better future for the people who are devoid of necessities. Through our initiatives and programs, we try to make a small contribution to the process of nation-building. Our primary focus is on women empowerment. We want to create opportunities for women to make them independent and establish their own identities.

EDUCATIONAL PROGRAMS



LIVELIHOOD PROGRAMS





SOCIAL ACTIVITIES

ACCREDITATION

ENRICHING EXPERIENCE

It is a privilege for us to be recognized and rated for our dedication and hard work. Here are some of the ratings and gradings we have received.

RATINGS AND GRADINGS

Agencies	Rating / Grading Month	Rating / Grading / COCA	Rating / Grading / Score
ICRA	May, 2018	Rating	BBB-/Stable
CARE	May, 2018	Rating	BBB-/Stable
SMERA	August, 2018	Grading	M2
SMERA	August, 2018	COCA	C2



ENLIVENING **STORIES**



ANUPAMA JENA

She is a 42 years old woman who lives in Balasore district of Odisha and her sole livelihood was making plates from tree leaves. Initially, her business was small, and revenue was limited. Her dream was to grow her business where she could employ a few more women and improve their lives. After taking a loan from Jagaran, slowly and steadily her business grew. She plans to expand her business further and generate employment opportunities for the locals.



LAKSHMI BERA

She is a 40 years old woman from West Midnapore district in West Bengal, who runs a mat-making unit in her cottage. She wanted to expand her business and improve her life so she took a loan from Jagaran and today she has a workshop which employs other women.

BIBI FATMA

She is a housewife from Giridih, Jharkhand, who wanted to open a mobile phone outlet. She came to Jagaran for help and got a loan of ₹30,000, with which she started her business. Soon the business took a leap, and she asked for another top-up loan of ₹16,000 to develop and expand her business.



SARATHI NATH

She is a skilled loom worker from Assam and along with her husband has been running the loom business for a few years. They wanted to expand their business, employ local women to increase output and also improve their living condition. Jagaran supported her cause and provided her with a loan. Now their business is helping people to get jobs and fulfill their dreams. They have set an example of how a small change can create a ripple effect.





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CHAIRMAN'S DESK

Mr. Indrajit Gupta has more than 37 years of experience in banking and is currently the Chairman of Jagaran Microfin Private Limited. Previously he was the Deputy Managing Director of State Bank of India and also the Managing Director and CEO of SBI Capital Markets Limited.

Welcome to the 9th Annual Report of Jagaran Microfin Private Limited.

In recent years, the Indian economy and micro-finance industry has been going through turbulent times. For our industry, both demonetization and credit stringency have been major headwinds, while the larger economy has been weighed by both global trade wars and local GST implementation.

The general optimism in the money market, especially in the stock market, emboldened the industry to take timely investment decisions. For us, like most NBFC-MFIs this was a good year and we achieved a PAT in excess of 10 crores. The PAT actually translates into a ratio of 12.83% Return on Networth (RONW) and a growth of 62.21% over the last year's figure. Incidentally, as may be recalled, our performance last year also was quite satisfactory.

We have grown substantially in terms of geographical reach, network, employee strength, balance sheet size and increased revenue and profit in the last year. Most importantly, we have been able to attract funding from international investors (of ₹ 55 crores) by way of Non Convertible Debentures at very reasonable terms. We have also been able to improve upon most financial ratios. Not only have the number of customers increased during the year, but the number of first time customers has also increased by 31.05% which is very significant.



Mr. Indrajit Gupta
Chairman

The average loan size has also increased and the concentration risk has been reduced. The share of one single state in our total portfolio is below 60% now, a decline of 4.77% from last year. Our AUM has increased by 53.07% from last year and total disbursement increased by 43.02%. On the qualitative side, we have been able to revamp our training system and IT system substantially having established two training centres of our own – one in Baranagar and the other in Alipurduar and by creating a full fledged Dept. of Learning and Development.

On the governance side, we have appointed one of the most reputed firms of Internal Auditors, Protiviti. We have also appointed Rathi & Co. for secretarial audit. The Board has been further revamped. An IT consultant of repute has been appointed to guide us to the next stage of IT infrastructure preparedness as required for systemically Important NBFCs.

Our CSR activities have now stabilized completely with focus on pre-primary education, basic health care awareness and support including ambulance service, skill and entrepreneurship development.

We are now running 15 pre-primary schools and providing pre-school education to 450 children so as to bring them to the mainstream of education system. We have organized Thalassaemia awareness camps in a big way and have continued our activities in identifying cataract related problems and organizing eye camps. In other words, we are making a determined effort to ensure real empowerment of women and impacting their lives in the centres where we operate.



GROWING WITH THE COMMUNITY



Mr. Sourav Ghosh
Whole-time Director

Mr. Sourav Ghosh started his career with Tata Consultancy Services in 2010 and then moved on as Senior Account Manager at Snapdeal and subsequently to OYO Rooms, leading operations and business development in the northeast. A graduate in Engineering and Marketing MBA, he is also a passionate quizzer and a wildlife enthusiast.

In the world of finance, Jagaran Microfin is a comparatively young company. What sets us apart is the niche it has carved for itself and the pace of growth that has won widespread admiration. In the year under review too, the Company has continued to demonstrate its growth momentum with the number of branches rising and disbursal amount growing.

The growth is due to several factors. Perhaps first among them is the drive and commitment of each employee that has made every mission possible. Their sincerity is what wins the trust of our customers, who recognize that the business of Jagaran is powered by a genuine desire to help them better their lives. From field representatives to senior managers there is always the personal touch to make every problem solvable.

Another feature that makes Jagaran special is that our relationship with customers goes beyond business. The Jagaran philosophy is to become a part of the community we serve, by solving not just financial problems but also social ones. We undertake a variety of CSR measures which span healthcare, education, sanitation employment, etc. to build bonds with the people. We employ local people wherever possible. The social bonds we forge with the people also serve to safeguard our business interests. Despite the seeming risks of lending to impoverished women, Jagaran's default rates are remarkably low and defaults are usually due to genuine distress.

We have awakened hope among women from rural and underprivileged backgrounds and brought them self-belief and dignity. We believe we can continue expanding our operations and services to touch many more lives in the coming years.



THE LIVES WE CHANGE



Mr. Jaydeep Ghosh
CEO

Mr. Jaydeep Ghosh has over two decades of experience in the BFSI segment. Before joining Jagaran, he worked in senior positions of retail banking for Axis Bank and ICICI Prudential.

Let me begin by saying that we have had an excellent year in terms of business growth and profitability. Our focus in the year gone had been to build depth in our branches, work on training the manpower and provide all the support needed to help us attract more customers. Alongside, we have tried to retain our existing customer base by improving service and reducing turn around time. Employee satisfaction and motivation have been on top of the agenda for us and we made significant improvements in our hiring and retention strategies to build a long term culture of meritocracy. In spite of the last quarter of FY 2018-19 being slightly difficult for the debt market, we were successful in clinching important deals and became a listed entity when we raised ₹550 million from overseas institutional subscribers. We were also able to build new relationships with private and small finance banks during the

critical last quarter of the year. In terms of Return on Assets (ROA) we crossed the threshold of 3% and Return on Equity (ROE) went beyond 20%.

The coming year shall see us expanding further into states where we have managed to get a foothold. We shall see a focus on improved use of Information Technology and consequent improvement in branch/employee performance. We shall introduce relevant products and listen to the needs of our customers even more closely. Our growth ambitions shall see us surpassing milestones needed to be counted amongst the large players in this space.

People and process shall drive the year in front of us and we shall strive to focus on excellence in every aspect of our business.

I thank all my colleagues for their goal orientation, teamwork and loyalty which has helped us reach where we are today. I look forward to the year with great hope.

BOARD OF DIRECTORS



MR. INDRAJIT GUPTA

Retired Deputy Managing Director, State Bank of India and Ex-Managing Director & Chief Executive Officer of SBI Capital Markets Limited. He was formerly a member of the Board of National Stock Exchange. With more than 37 years of experience in banking, he has also worked as a member of several committees of Securities and Exchange Board of India. At present he is the Chairman of Jagaran Microfin Private Limited.

DR. SAMIR KUMAR BARUA

He holds a Master's Degree in Technology from the Indian Institute of Technology, Kanpur and a Doctorate in Management from the Indian Institute of Management, Ahmedabad. He has been a faculty member at the Indian Institute of Management, Ahmedabad, where he also served as a Director on the Board. He has served in several committees of Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and Government Committees. He is presently a board member of Axis Bank Limited, Torrent Power Limited, Axis Capital Limited, Indian Oil Tanking Limited, Tata Projects Limited and Torrent Pipavav Generation Limited.



MR. PRATIP CHAUDHURI

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

MR. SANDIP GHOSE

He had been associated with Reserve Bank of India for more than three decades. He retired in 2013 as the Principal Chief General Manager. Before that, he had served as Senior Manager/Regional-in-charge of Currency Management Department, Rural Planning & Credit Department, Foreign Exchange Department Personnel, Planning & Budgetary Control Department including being Chief of Staff and Advisor to 3 successive Governors (Dr. C Rangarajan, Dr. Bimal Jalan and Dr. Y.V. Reddy) between 1996-2004. Till recently, he was the Director of National Institute of Securities Markets Pune. He has specialization in Training and Leadership development. He had worked on boards of two major public sector banks – UCO Bank, Kolkata and Punjab and Sind Bank, New Delhi.



MR. DIPANKAR CHATTERJI

A renowned Chartered Accountant with wide experience in India and abroad, he is a Senior Partner of L. B. Jha and Co. and has been practising for more than 35 years. He was a member of the Central Council and Chairman of the Auditing Practices Committee at the Institute of Chartered Accountants of India.

MR. SOURAV GHOSH

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



MR. RANA SOM

He is Ex-Chairman and Managing Director of National Mineral Development Corporation Limited and Hindustan Copper Limited. He is a corporate leader who has used his expertise in working for different organizations to script the turnaround of two public sector giants. He was the architect of Hindustan Copper Limited's revival and was instrumental in massive diversification and growth of National Mineral Development Corporation Limited (NMDC). He has served as the Chairman-cum-Managing Director of Hindustan Copper Limited and National Mineral Development Corporation Limited.

MS. SHANTA GHOSH

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



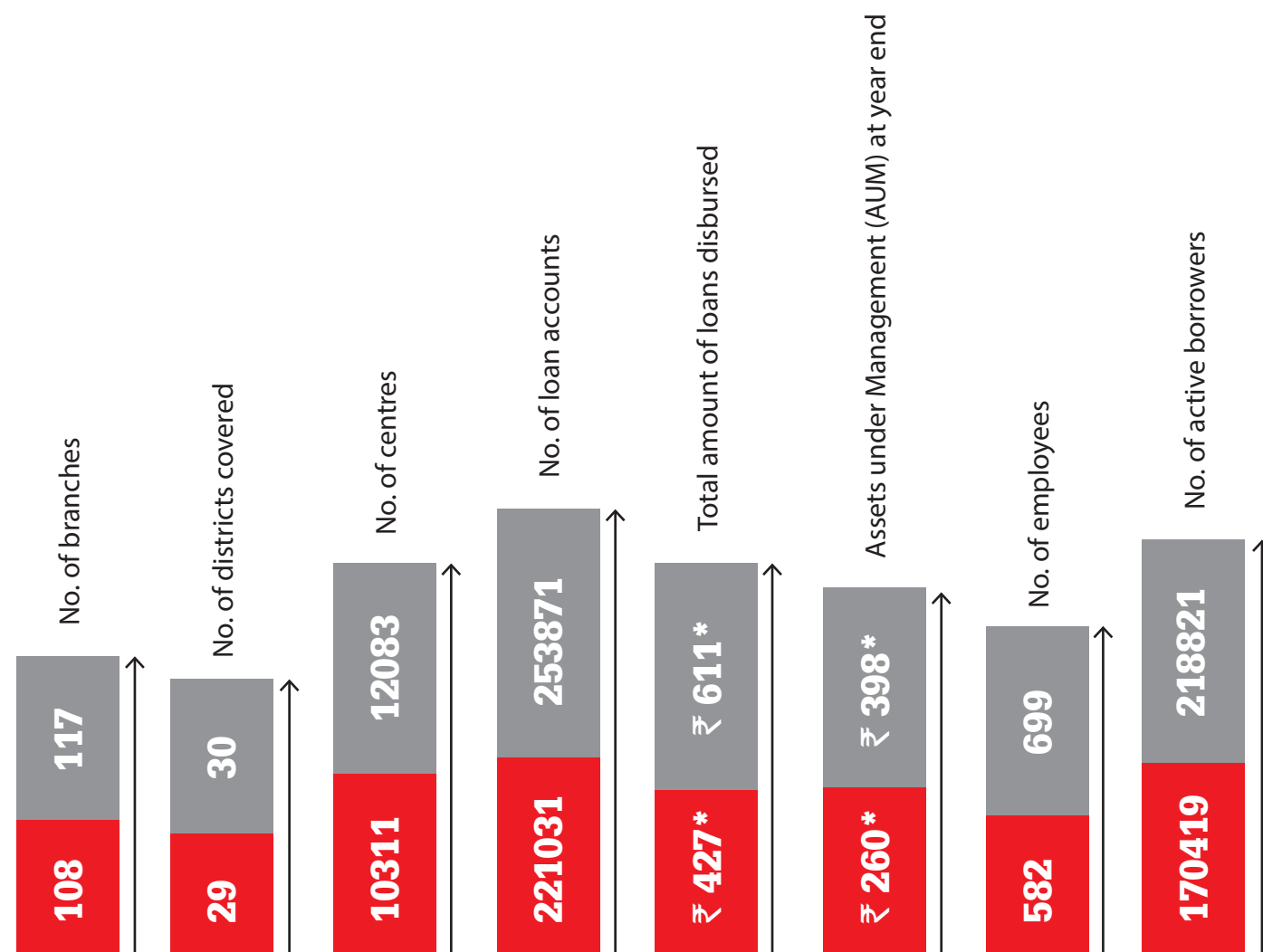
BOARD REPORT TO MEMBERS

1. Background

The year that went by i.e., Financial Year 2018-19 had been a steady year for the Indian economy with reasonable all-round growth and without any major set-backs. The stock market and bond market behaved well to the satisfaction of the investors. Agriculture also did reasonably well although job growth was not up to the mark. Towards the end of the Financial Year, the ensuing poll introduced some kind of turbulence. The economy achieved a growth of over 7% taking the country to the club of the fastest growing economies. However, for the NBFC sector, there was a crisis and a liquidity squeeze affected the entire sector. Fortunately, your company could steer out of the crisis and carry on its operations on an even keel.

Your company also did quite well in all fronts achieving satisfactory growth in all the qualitative and quantitative positions as the following statistics would reveal:

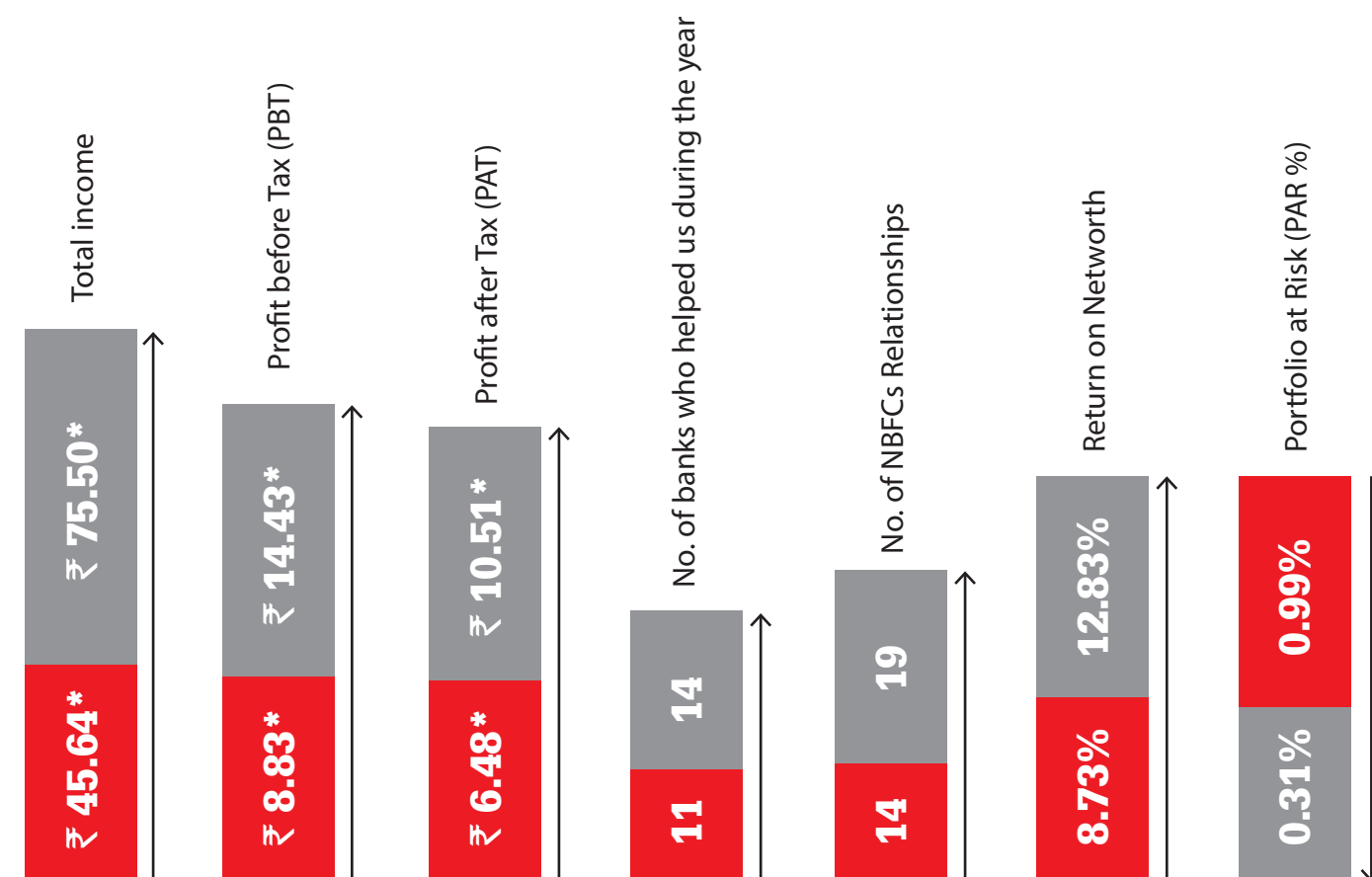
Position as on 31.03.2019



*Including managed assets under BC | All ₹ are in crores

Position as on 31.03.2019

Legend



*Including managed assets under BC | All ₹ are in crores

We have been able to revamp our training system completely and have set up two full fledged training centres, one at Baranagar and other at Alipurduar. The entire IT system has been revamped further and is functioning seamlessly without hiccups. A renowned IT specialist has been appointed to act as an advisor. The field set up has been reorganized by giving the Regional Heads specific Development work. A new Dept of Learning and Development has been set up.

We were able to raise a substantial amount of ₹55 crores from 2 overseas investors, Blue Orchard Microfinance Fund and Japan Asean Women Empowerment Fund which helped us to grow comfortably even when there were a liquidity and funding problem in the sector.

We also grew our CSR activities further and extended our reach (separate report enclosed).

Overall we are pleased to place on record that even in a somewhat difficult period, your company could record all round improvement and growth. Our plans for next year are ambitious – yet cautious because of the constraints of leveraging our net worth to the maximum as permitted by Regulatory bindings. In case we are able to organise infusion of further capital there shall be no constraint to growth of up to ₹ 600 crores AUM – during the year itself.

2. Financial Results

(All amounts in ₹)

Particulars	FY 2018-19	FY 2017-18
Profit before Tax, Depreciation & Provision	17,87,03,328	10,78,46,689
Less: Depreciation	43,86,485	34,42,240
Provision as per RBI norms	3,00,02,192	1,61,08,982
Profit before Tax	14,43,14,651	8,82,95,467
Less : Provision for Taxation		
Current Tax	4,22,95,847	2,47,21,096
Deferred Tax	(31,28,801)	(12,48,532)
Profit after Tax	10,51,47,605	6,48,22,903
Profit Brought forward	19,96,67,809	17,42,99,093
Amount available for Appropriation	30,48,15,414	23,91,21,996
Appropriations		
Transfer to Statutory Reserve	2,10,29,521	1,29,64,581
Interim Dividend	-	-
Dividend Paid	2,30,52,987	2,20,09,077
Corporate Dividend Tax	47,38,612	44,80,529
Balance Carried to Balance Sheet	25,59,94,294	19,96,67,809

3. Summary of Operations, State of Companies Affairs and Future Outlook

FY 2018 - 19 has been a good year for the Company. The Company has been able to reach most of the goals set, although because of writing off of bad debts arising out of demonetization and provision created there was some impact on overall profitability. Even then the PBT increased by 64% to ₹14.43 crores and the PAT increased by 62% to ₹10.51 crores. Income from operations increased by 68%. Portfolio at risk decreased to 0.31% from 0.99%. All the financial indicators depicted by the key financial ratios improved significantly.

4. Change in the nature of business

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

5. Statutory Reserves

Your company proposes to carry ₹2.10 crores to statutory reserves.

6. Dividend

The Company intends to declare a dividend for FY 2018 - 19 @ 12%.

7. RBI's regulation for the MFI sector:

RBI addressed the regulatory uncertainty in the microfinance space by constituting the Malegam Committee. On 1st July, 2013 RBI approved the broad framework of regulations recommended by the Committee and created a separate category NBFC-MFI for Micro Finance Institutions.

The Central Bank has specified the maximum limit of margins and interest rates which can be charged by microfinance institutions (MFIs).

It has also framed the fair practice code and reasonable methods of recovery of loans by MFIs through various circulars issued from time to time.

On June 16, 2014 RBI recognized MFIN (Microfinance Institutions Network) as a Self Regulatory Organization (SRO) for NBFC-MFIs which was a positive outcome for the microfinance industry.

Jagaran adopts a fair pricing philosophy code. Its lending rate has been linked to the expected long-term operating cost target rather than current cost and has been reduced during the year.

Jagaran captures the household income and expense details during the group formation stage and verifies if the details are accurate by cross checking with the customers so that no loan can be disbursed in cases where the income level is over ₹1,00,000 in rural areas and ₹1,60,000 in urban areas.

Jagaran is engaged only in micro lending, hence all assets (excluding cash, balances with banks and financial institutions, and money market instruments) fall within the category of qualified assets (94.92%) to net assets.

8. 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

There have been no such material changes that occurred subsequent to the close of the financial year of the Company and the date of this report to which the balance sheet relates like settlement of tax liabilities, operation of patent rights, depreciation in market value of investments, institution of cases by or against the Company, sale or purchase of capital assets or destruction of any assets etc.

9. 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

There have been no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

10. Details in respect of adequacy of internal financial controls with reference to the financial statements

Pursuant to 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 ensure that the adoption of all policies and procedures for the conduct of its business, including adherence to the Company's policy, of its assets, prevention and detection of fraud and error, the accuracy of the accounting records and 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 controls and risk management systems in the Company. The Company has a separate Risk Management and Asset Liability Management Committee consisting majorly of Non-Executive Directors to oversee the risk management system in the Company.

11. Details of Subsidiary/ Joint Ventures/ Associate Companies

Your company does not have any subsidiary/joint venture/ associate company during the period under review.

12. Deposits

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

13. Our Customers:

All our customers are women belonging to the poorer sections of rural, semi urban and urban population striving to get a better foothold in life.

14. Direct beneficiaries:

Jagaran provides small loans to only women beneficiaries who

are engaged in income generating activities and are having repayment capacity and they are the direct beneficiaries. The income generated out of the business activities directly contributes to their family income.

15. Indirect beneficiaries:

Society at large, like the raw material suppliers, other traders, logistic supporters and family members of the borrowers, other members of the community, Banks/Financial Institutions, and software vendors.

16. Geographical Outreach

Outreach	2016-17	2017-18	2018-19
No. of States Covered	4	5	5
No. of Districts Covered	25	29	30
No. of Villages covered	2627	3191	3479
No. of Branches	88	108	117

17. Patterns of our Micro Finance Funding (as on March 31, 2019) (All amounts in ₹)

Segment	No. of Loans	Outstanding Amount (₹)
Agriculture	79551	1,20,88,97,530
Animal Husbandry	28931	44,74,67,041
Artisan	10418	16,01,86,746
Road Transport (small)	8841	14,22,56,071
Services	21185	33,04,66,508
Small Business	72656	1,13,15,78,522
Village & Cottage Industry	17063	28,14,96,390
Others (Ashray and Solar)	12912	24,52,57,151
Education	2288	3,74,42,022
Purchase of Solar Item	26	3,81,791
Total	253871	3,98,54,29,771

18. RBI Guidelines

Your company has complied with all applicable regulations of the Reserve Bank of India. As per the NBFC - MFIs guidelines, the Directors hereby report that the Company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

Your company is an approved NBFC - MFI with Reserve Bank of India, Kolkata on and from 27th September, 2013.

Your company is also a member of Microfinance Institutions Network (MFIN), Self-Regulatory Organisation (SRO) approved by the Reserve Bank of India.

19. Capital Adequacy

The capital adequacy ratio was 27.49% as on March 31, 2018 and is 18.78% as on 31.03.2019. The Net Owned Funds (NOF) as on that date was ₹73.36 crores which stand at ₹80.71 crores as on 31.03.2019. The minimum capital adequacy requirement stipulated for the Company by RBI is 15.00% of its aggregate risk weighted assets.

20. Prospects

In the overall scenario of the MFI, the concept of competition is not really relevant because 85% of the demand for Microfinance is still unmet and although the sectoral growth is quite robust, there is hardly any prospect of credit supply matching demand in the foreseeable future. As a result, the growth prospect of the industry as a whole will continue to be excellent although there may be pockets where there may be concentration risks. The situation can easily be avoided by carrying on effective field surveys and by carefully scanning the credit bureau reports to avoid such concentration risk which Jagaran inevitably does.

The Company shall continue to pursue its policies for identifying the rural needy and bringing them to the Company's field and providing social support and CSR activities through financial support through loans.

21. Corporate Governance

Central to the concept of corporate governance is the role of the Board. Our company is extremely careful about having a Board with members of real eminence who bring with them vast experience. We have recently revamped the Board as two of the existing members, having crossed the age of 75 years, decided to step down and two new members, Mr. Pratip Chaudhuri, former Chairman of SBI and Mr. Rana Som, former Chairman of NMDC, (a Navaratna company) joined the Board. The other new joiners in the Board are Ms. Shanta Ghosh, Chairperson of Development Consultants Group, a person of extraordinary entrepreneurship ability and Mr. Sourav Ghosh, Whole Time Director, who along with the existing members are expected to take the Company to new heights. The Company has re-organised the various Committees in tune with its emphasis on governance. Further, for the same reasons, the Audit firm of Protiviti has been appointed as Internal Auditors.

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:

a) in the preparation of the annual accounts for the year ended on March 31, 2019 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;

(All amounts in ₹)

b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2019 and of the profit of the Company for the year ended on that date;

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

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

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

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

23. Management Discussion and Analysis

The Management Discussion and Analysis Report, highlighting the important aspects of the business are attached and forms part of this report.

24. Extract of Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of annual return is Annexed in **Annexure 1**.

25. Directors and Key Managerial Personnel

During the year under review, Mr. Rana Som, Mr. Pratip Chaudhuri, Ms. Shanta Ghosh and Mr. Sourav Ghosh have been appointed as Directors at the meeting of Board of Directors on January 01, 2019 and March 11, 2019.

During the year under review, Mr. Jayanta Majumder resigned from the Board of Directors with effect from August 2018.

During the year under review, Mr. Dipak Rudra and Mr. Pradeep Kumar Sarkar resigned from the Board of Directors with effect from November 2018 having crossed the age of 75 years.

During the year under review, Dr. Kakoli Saha, Ms. Abira Majumder and Mr. Somnath Ghosh resigned from the Board of Directors with effect from March 2019.

26. Details of Meeting of Board of Directors

The Board of your Company held 6 Meetings during the year under review, details of which are given below:

Date of the meeting	No. of Directors attended the meeting
June 26, 2018	9 out of 9
September 07, 2018	7 out of 9
October 29, 2018	5 out of 9
November 19, 2018	9 out of 9
January 01, 2019	4 out of 7
March 11, 2019	8 out of 8

27. Details of Committees of Board of Directors as on 31.03.2019

The details of the composition of the Committees of the Board of Directors along with number of times met during the year are stated as under:-

a. Audit Committee

Sl. No.	Name	Chairman/ Members
1.	Mr. Dipankar Chatterji	Chairman
2.	Mr. Sandip Ghose	Member
3.	Dr. Samir Kumar Barua	Member

During the year the Audit Committee had met four times on 26.06.2018, 07.09.2018, 19.11.2018 and 11.03.2019.

b. Executive Committee

Sl. No.	Name	Chairman/ Members
1.	Mr. Indrajit Gupta	Member
2.	Mr. Somnath Ghosh	Advisor
3.	Mr. Sourav Ghosh	Member
4.	Mr. Jaydeep Ghosh	Invitee

The Executive Committee met six times during the year under review on 23.04.2018, 31.05.2018, 31.07.2018, 28.08.2018, 05.10.2018 and 26.03.2019.

c. Nomination & Remuneration Committee

Sl. No.	Name	Chairman/ Members
1.	Mr. Indrajit Gupta	Member
2.	Mr. Dipankar Chatterji	Member
3.	Mr. Sandip Ghose	Member

During the year under review the Nomination and Remuneration Committee met four times on 20.06.2018, 17.11.2018, 29.12.2018 and 05.03.2019.

d. IT Committee

Sl. No.	Name	Chairman/ Members
1.	Mr. Indrajit Gupta	Member
2.	Mr. Sandip Ghose	Member
3.	Mr. Dipankar Chatterji	Member

During the year under review the Committee met on 20.06.2018 and 11.03.2019.

e. CSR Committee

Sl. No.	Name	Chairman/ Members
1.	Mr. Sandip Ghose	Member
2.	Mr. Indrajit Gupta	Member
3.	Dr. Samir Kumar Barua	Member

During the year the Committee met on 26.06.2018.

f. Risk Management and Asset Liability Management Committee

Sl. No.	Name	Chairman/ Members
1.	Mr. Sandip Ghose	Member
2.	Mr. Indrajit Gupta	Member
3.	Dr. Samir Kumar Barua	Member

During the year the Committee met on 19.11.2018 and 26.06.2018.

28. Appointment and Declaration of Independent Director

During the year under review three Independent Directors were

appointed namely, Mr. Rana Som, Mr. Pratip Chaudhuri and Ms. Shanta Ghosh.

Further, all the independent Directors have declared and affirmed their compliance with the independence criteria as mentioned in Section 149(6) of the Companies Act, 2013 in respect of their position as an "Independent Director" of the Company.

29. Disclosure of remuneration of directors and key managerial personnel

The Remuneration paid to Functional Directors (Chairman, Whole time Director and Managing Director) during the year under review is ₹61,05,767.

The Part-time Non-official Directors do not have any material pecuniary relationship or transaction with the Company and its management. They do not receive any remuneration/commission except Sitting Fee(s) approved by the Board.

Payment of Sitting Fees during FY 2018 - 19 (including Meetings of Board of Directors and Committee of Directors) – ₹21,80,000 (₹50,000/- sitting fees for each Meeting of Board of Directors and ₹15,000/- for Committee of Directors attended by Board of Directors)

30. Particulars of loans, guarantee or investment under Section 186

Your company is a Non-Banking Financial Company classified as NBFC-MFI and the principal business of your company is to provide loans. Hence Section 186 will not be applicable to your company.

31. Risk Management Policy

During the year, in terms of the requirement of the Act, your Directors have constituted a Risk Management and Asset Liability Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's risk management framework; and (b) Overseeing that all the risks that the organization faces including financial and non-financial risks have been identified and assessed and there is an adequate risk management infrastructure capable of addressing those risks.

The Risk Management Policy was reviewed and approved by the Board of Directors during the year.

32. Statutory Auditors

In the Annual General Meeting (AGM) held on August 13, 2015, M/s. Deloitte Haskins and Sells, Chartered Accountants have been appointed as Statutory Auditors of the Company to hold office from the conclusion of this AGM (FY 2014 - 15) till the conclusion of the AGM for FY 2019 - 20 with respect to the financial years beginning from April 01, 2015 and ending on March 31, 2020. Ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

33. Explanations or comments to adverse qualifications, reservation or adverse remark or disclaimer made by the statutory auditor and PCS in their reports

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

34. Conservation of energy, technology absorption, foreign exchange earnings and outgo

The Company has no activity relating to the consumption of energy or technology absorption. The Company does not have any foreign currency earnings and outgo.

35. Human Resources

Your company treats its “Human Resources” with dignity, honour, fairness and as its most important asset.

Your company continuously invests in attraction, retention and development of talent on an on-going basis. Your company's thrust is on the promotion of talent internally through job rotation and job enlargement, training and mentoring.

This has resulted in a very low rate of attrition. The Company has a well laid out plan for training of its personnel through various programmes for 1 to 3 days apart from sending selected staff to various training organisations. The Company has a very transparent HR Policy which encourages an organisational expectation of fairness.

36. Information Technology

Your company is extensively using Information Technology in its operations to monitor and control different activities. Activities like loan processing, Accounts, HR and MIS are technologically driven and obtained from third party providers.

37. Details of the establishment of vigil mechanism for directors and employees

The Company had already adopted a Whistle Blower Policy to oversee and manage the Directors and employee related concerns and the vigil mechanism was duly incorporated in the policy.

38. Details of Related Party Transaction

During the year under review the Company had entered into the related party transactions with the GTFS Multi Services Limited its holding company on an arm's length basis, in ordinary course of business through the licence agreement and agreement for related services.

39. Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013

Your company has in place an Internal Complaints Committee (ICC) in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act 2013 to redress complaints received regarding sexual harassment. All employees (Permanent, Contractual, Temporary) are covered according to the requirement of the Act.

40. Comparative Performance – Year on Year (₹ in Crores)

For Fiscal Year	2015	2016	2017	2018	2019
Total Asset	119.87	198.54	226.95	293.94	459.68
Bank Borrowings	68.86	141.35	143.26	213.55	365.89
Outstanding Portfolio (including BC)	91.33	150.12	148.04	260.36	398.54
Profit Before Tax	6.08	8.00	8.25	8.83	14.43
Per Employee Business	0.47	0.55	0.56	0.45	0.57
Book Value per Share (₹)	13.98	14.82	16.46	17.05	18.83

41. Strength of the Company

• **Robust corporate governance standards and transparent operations lead to institutional confidence and customer goodwill:** The Board of the Company sits regularly to review and monitor the Company's performance, interacts with auditors and guides the Company very effectively. At the suggestion of the Board, we have appointed Protiviti, one of the leading names in Internal Audit as our Internal auditor and Rath & Company as our Secretarial Auditor. We have appointed Deloitte Haskins & Sells for the statutory audit of the Company from FY 2016. We had implemented the operational and risk management controls as required by regulatory regime introduced by the RBI based on the Malegam Committee recommendations. The new lenders (Banks/FIs) have been added in the last 12 months in addition to 13 existing lenders. Almost 73% of our borrowers are repeat borrowers and almost all our lenders are repeat lenders to us.

• **Standardized operating procedures and efficient use of technology resulting in effective risk management and improved efficiencies:** We have implemented standardized operating procedures that enable us to develop a scalable and replicable business model across geographies. Our business operations involve a large number of small transactions, mostly in cash, across hundreds of rural and urban locations. We are implementing standardized terms for our financing products, as well as standardized operating procedures for customer acquisition, customer engagement, account management and cash collection.

• **Understanding and successful track record with underserved customer segment** offer significant growth opportunities as we continue to expand our geographies to cater to the needs of these customer segments. India has 19 crores people still without bank accounts, that is second highest after China. (Source: World Bank Financial Inclusion Database, 2018).

• **Experienced Management Team:** Our senior management team has significant experience in the financial services industry. Our Directors have significant experience in financial services sector. Our management team includes experienced professionals from Banking and microfinance industries.

• **Strong Capital Adequacy Ratio:** The promoters have infused sufficient amount of capital till date to help the Company to raise cost effective financing from Banks /FIs. The current CAR is above 18% though the requirement stipulated by RBI is 15% – this strong capitalization helps us to raise finances at favourable terms for our growth needs.

42. Business Strategy

• **Expand our operational network and strengthen marketing and sourcing partnerships:** We continue to strategically expand our operations in target markets by establishing additional branches step by step across targeted states. Our current portfolio concentration in West Bengal is above 60% brought down from 70% which we are trying to reduce by targeting to add one state or two per year for our expansion activity. While historically most of our operations were focused in West Bengal, we have experienced significant growth in our operations in relatively newer markets such as Bihar, Jharkhand, Assam and Orissa also and we will continue to focus on these new areas for further development.

• **Continue to reduce borrowing cost, operating costs and improve operational efficiencies:** Getting low cost finances from Banks/FIs is the key to operate profitably in our sector and controlling our operating expenses is critical in determining our ability to offer loan products at reasonable rates to our customers. Our cost of borrowing has reduced over the years and we are trying to keep our operating expenses as a percentage of our AUM under control. We are focussing on more long term funding in the form of NCD and bank finance so as to reduce the cost of borrowing and frequent replacement funding needs. We continue to identify and implement measures that we believe will enable us to sustain and further decrease our operating expenses and borrowing costs. We continue to invest in our technology platform and technology - enabled operating procedures to increase operational as well as management efficiencies and ensure strong customer credit quality.

• Technology could be a major enabler for us to monitor portfolios and maintain asset quality. Apart from the cost benefits arising from automated documentation processes, having a robust back-end technology set up will enable us to effectively monitor our loan portfolio. Technology can also play a major role in preventing internal accounting lapses and facilitate a better monitoring mechanism for collections. Further, credit bureaus such as Equifax and Highmark are engaged in collecting data from several MFIs and building a comprehensive database that captures the credit history of borrowers.

43. CSR Activities

Your company has been working in the domain of poverty alleviation since 2010 and believes that development cannot be ushered only through credit. Credit is one of the important inputs for development but credit plus interventions are required for scaling up the developmental activities in a sustainable manner.

Jagaran has been involved in various social and developmental activities to supplement its efforts of poverty alleviation in addition to its main activity of economic empowerment of underprivileged women through micro credit.

The total expenses incurred in this regard during the financial year under review is ₹ 16.35 lacs including salary expenses of one officer fully engaged in these activities.

Acknowledgement:

Your Directors wish to thank the customers, bankers, and all lenders, shareholders and various service agencies for their support. The Directors also thank the employees for their contribution to the Company's operations and performance during the period under review.

For and on behalf of the Board of Directors

Indrajit Gupta
(Chairman)

Place : Kolkata
Date : 14.05.2019

MANAGEMENT DISCUSSION AND ANALYSIS

During the year, your company has disbursed 2,51,936 micro-credit loans of ₹6,11,34,15,000 in 30 districts of West Bengal, Bihar, Jharkhand, Assam and Orissa. This growth has been driven by the large demand-supply gap in the market for micro-credit and Jagaran's rapidly scalable business model and also entry to new geographies.

Industry Overview

The RBI regulations and the MFI industry self-regulation have during the recent years significantly de-risked this sector. The Self Regulatory Body (SRO) has also emerged as an effective coordinator. The credit bureau initiative supported by the industry association has enabled the industry to conform to the RBI's direction that there shall not be more than two MFI loans to a single borrower. This has helped significantly in addressing the concerns of over lending to the same customer creating stress at the client level and a bubble at the sector level. While multiple lendings from MFIs are avoided by this measure, this does not avoid debts being incurred from other sources by the borrower. Now that RBI has proposed that all loans by different institutions should be captured by credit bureaus, customer interests will be better served.

The new priority sector lending guidelines to banks recognize the role played by MFIs in reaching out to the un-banked segments of the society by extending priority sector classification to banks' lending to MFIs and the hesitation of the Banks to provide finance to this sector is gradually disappearing. The new initiative of the Government of India (GOI), MUDRA Bank is a welcome development for all concerned but it has not yet been able to show any real impact.

Regulatory environment Microfinance Institutions Bill 2012

The Government of India had presented the Micro Finance Institutions (Development and Regulation) Bill, 2012 (MFI Bill 2012) before the Parliament of India in May 2012. The MFI Bill 2012 provided for the development and regulation of microfinance institutions and envisaged empowering the RBI to issue directions to MFIs including in connection with prudential norms, corporate governance norms and operations of MFIs. The Indian Parliament had referred the MFI Bill 2012 to its Standing Committee on Finance for its recommendation. On February 11, 2014, the Standing Committee on Finance recommended that the MFI Bill 2012 be reviewed and reconsidered by the Indian Government and a new bill be introduced before the Indian Parliament. The MFI Bill 2012 consequently did not pass in the Indian Parliament.

Operating Business Model

- With the significant improvement in the overall environment, JMPL started growing its loan portfolio.

- JMPL disbursed ₹611.34 crores during the year resulting in the assets under management (AUM) (including BC) increased to ₹398.54 crores as on March 31, 2019 from ₹260.36 crores as on March 31, 2018.

- JMPL identified and launched a number of initiatives to improve staff and branch productivity through a business process review.

These initiatives would help to optimize the cost of operations in near future.

- The Company has adopted Grameen Bank model of joint liability system with suitable adaptations. The Company has ensured adequate controls to ensure that its process adherence and portfolio quality are within acceptable levels.

- Central Processing Unit has also been set up for complete back office job, like processing of loan application, Credit Bureau Check, sanctioning, fund management, disbursement etc. which ultimately help the branches to focus on their core jobs.

Financial Results

During the year under review the Company has a loan outstanding (excluding BC) of about ₹377.69 crores as on March 31, 2019.

The Company's total income for the FY 2018 - 19 was ₹75.50 crore compared to ₹45.64 crore in FY 2017 - 18. The Company had a net profit after tax of ₹10.51 crore for the year ended on March 31, 2019 compared to ₹6.48 crore in FY 2017 - 18. The Company followed the interest cap stipulated by RBI and the margin was also well within the limits of RBI.

Information Technology

Jagaran believes that in this current competitive world, the use of technology is very important and needs to be deployed properly for generating MIS for management, monitoring business growth, providing effective controls, enhancing employee productivity, lowering transaction costs and driving overall better efficiencies in the system. JMPL now operates on a centralised transaction processing model supported by the Web based system. During the year under review, the focus on technology continued with further enhancement in automation of transactions at branch level/head office level to further improve efficiency and control. The various process improvements have enabled JMPL to establish and maintain an efficient business model. JMPL expects this to play a crucial role in the prevailing scenario where the microfinance companies have to maintain tight control over costs to stay profitable. JMPL has already introduced the Head Office Module for Inspection, Human Resource (HR), Administration, Treasury Management etc during the years for better control. JMPL has also started using the mobile platform for its branch operations, like collection, CGT, GRT etc.

Jagaran believes that in this current competitive world, the use of technology is very important and needs to be deployed properly for generating MIS for management, monitoring business growth, providing effective controls, enhancing employee productivity, lowering transaction costs and revamping the present IT system further is on the cards.

Resources and Treasury

The funding for the business is from an optimal mix of equity and debt. JMPL continues to follow the policy of diversification of funding sources. The Company has existing relationships with about 14 banks and 19 financial institutions / NBFCs, who have sanctioned limits of ₹304 crores during the year.

Credit Risk

JMPL considers all other borrowings of clients, need for funds for productive purposes and repayment capability before extending loan.

JMPL has been an active participant at industry level initiatives, as part of MFIN (Micro Finance Institutions Network). JMPL has also adopted an MFIN Code of Conduct promoting responsible lending by MFIs. The Company also follows a conservative provisioning policy which is more stringent than RBI norms applicable to MFIs.

Operational Risk

Risk due to inadequate or failed internal processes, people or systems could cause loss to JMPL. Micro finance, given its small ticket size is transaction-intensive. These transactions are handled by a large number of employees spread across 117 branches in 30 districts in 5 states. Further both disbursement and collections from members are done by way of cash, increasing the operational risk. Under the circumstances it becomes critical to have sound risk management practices.

JMPL has switched off to a system of Aadhar Card based KYC model which reduces the operation risk to a considerable extent and is completely in tune with GOI initiative and is proving to be quite user friendly.

JMPL has put in multi-layered checks and controls over key client interface processes. The Company also constantly upgrades its control processes based on analysis of failed processes, well reflected in almost negligible instances of breach of control. The control parameters of the Company are generally held as benchmarks in the MFI sector globally. JMPL has already commenced disbursements by electronic funds transfer to customers by making it mandatory for customers to open bank accounts and provide Aadhar cards.

In order to improve the resilience of the Company's operational framework, back office functions have been centralised.

Market Risk

Liquidity Risk: Given the sensitive nature of the sector, the banks' funding is closely linked to the overall image of the sector as well as the regulatory environment. Any change in these factors could affect the overall liquidity position of the Company. Also, excess liquidity carried leads to negative carry on the surplus cash as the yield on short term investment is always lower than borrowing cost.

ALM Risk: The Company ensures matched funding without any adverse mis-match in structural liquidity. The interest rate sensitivity is higher due to mix of bank borrowings and NBFC borrowings and the rate of interest with other finance costs varies widely. The Company tries to use the average interest rates and also uses dynamic interest rates to customers.

Leverage: The Company adopts a conservative policy related to leveraging capital. Along these lines, the Company considers the entire managed assets for maintaining sufficient capital adequacy. The Company has sufficient capital to leverage further.

Outlook and challenges:

On the growth-side, underlying demand for microcredit and long-term prospects look good. However, the Company will have to manage geographic concentration risk further and work towards limiting over-borrowing by its members. The Company is pleased to note that RBI is steering microfinance companies to focus on improving efficiencies for delivering returns by capping

the margins. The Company, right from inception, had its own internal pricing policy which puts a cap on the lending rate which is very much in line with subsequent regulatory prescriptions. The Company has always focused on efficiency and productivity to generate sustainable returns to shareholders rather than charging higher rates from its borrowers. In view of this, the Company is confident that it would be able to generate sustainable returns to shareholders. With prudent regulation in place and with the co-operation of multiple stakeholders, the Company is optimistic about growth prospects in the long-term.

Social Activities and Inclusive Growth

The Company has been undertaking social activities for quite sometime now including running pre-primary schools, not to mention, organizing eye camps, health camps, skill developmental camps, financial illiteracy camps. During the year under review, the activities got further momentum by co-ordinating with specialised agencies. In the coming year we have plan to expand these activities to the fullest.

Financial Results

The following are the principal revenue streams:

- (1) Interest Income on the loans disbursed
- (2) Processing Fee on loan disbursed

Finance cost, staff cost and infrastructure costs are major cost components. The Company's staffing and infrastructure including Information Technology is designed for supporting rapid scaling up. The Company with the prudent, transparent lending activities and social initiatives expect to build an operation which would be stable over time. As regards finance cost, the Company is always negotiating with lenders for bringing down the overall finance cost.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectation may be 'forward looking' within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

For and on behalf of the Board of Directors

Indrajit Gupta
(Chairman)

Place : **Kolkata**
Date : **14.05.2019**

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

for the financial year ended on March 31, 2019
of

JAGARAN MICROFIN PRIVATE LIMITED

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U74210WB1993PTC057457
ii)	Registration Date	21.06.2011
iii)	Name of the Company	Jagaran Microfin Private Limited
iv)	Category / Sub-Category of the Company	Private Company/ Limited by Shares
v)	Address of the Registered Office and contact details	5th Floor, 38 Hemanta Basu Sarani, Kolkata - 700001 Tel : (033)22650100 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	Karvy Computershare Private Limited 49, Jatin Das Road, 1st Floor, Kolkata -700029

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of Main Products / Services	Nic Code of the Product/ Service	% to Total Turnover of the Company
1.	Financial and Related Services	9971	95.46%

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	80.04%	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding

Category of Shareholders	No. of Shares Held at the Beginning of the Year				No. of Shares Held at the End of the Year %				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF		86,80,600	86,80,600	19.96	86,80,600		86,80,600	19.96	
(b) Central Govt.									
(c) State Govt. (s)									

	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d) Bodies Corp.		3,48,15,600	3,48,15,600	80.04	3,48,15,600		3,48,15,600	80.04	
(e) Banks / FI									
(f) Any Other....		4,34,96,200	4,34,96,200	100	4,34,96,200		4,34,96,200	100	
Sub-total (A) (1):-									
(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	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
1. Institutions									
(a) Mutual Funds									
(b) Banks / FI									
(c) Central Govt.									
(d) State Govt.(s)									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) FIs									
(h) Foreign Venture Capital Funds									
(2) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian									
(ii) Overseas									
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
(c) Others (specify)									
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		4,34,96,200	4,34,96,200		4,34,96,200		4,34,96,200		

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)
(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the Beginning of the Year			Share Holding at the End of the Year			% Change in Share Holding During the Year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1.	GTFS Multi Services Limited	3,48,15,600	80.04%	-	3,48,15,600	80.04%	-	-
2.	Individuals	86,80,600	19.96%	-	86,80,600	19.96%	-	-

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

Sl. No.		Shareholding at the Beginning of the Year		Cumulative Shareholding During the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	3,48,15,600	80.04%	3,48,15,600	80.04%
2.	Date wise increase / decrease in promoters share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer bonus/ sweat equity etc)	-	-	-	-
3.	At the end of the year	3,48,15,600	80.04%	3,48,15,600	80.04%

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

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 Share holding 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 Directors 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				
2.	Ms. Abira Majumder (Director) Mr. Somnath Ghosh (Director)	17,50,100 25,000	4.02% 0.06%	17,50,100 25,000	4.02% 0.06%
	Date wise increase / decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS
Indebtedness of the Company Including Interest Outstanding/Accrued but not due for Payment

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,13,55,43,163			2,13,55,43,163
ii) Interest due but not paid		-	-	
iii) Interest accrued but not due	1,15,63,647			1,15,63,647
Total (i+ii+iii)	2,14,71,06,810	-	-	2,14,71,06,810
Change in Indebtedness during the financial year				
• Addition	3,04,00,00,000			3,04,00,00,000
• Reduction	1,51,65,56,037	-	-	1,51,65,56,037
Net Change	1,52,34,43,963	-	-	1,52,34,43,963
Indebtedness at the end of the financial year				
i) Principal Amount	3,65,89,87,127			3,65,89,87,127
ii) Interest due but not paid		-	-	
iii) Interest accrued but not due	4,55,23,707			4,55,23,707
Total (i+ii+iii)	3,70,45,10,834	-	-	3,70,45,10,834

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Managing Director	Chairman	Whole-time Director	Total Amount (in ₹)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under	13,81,320	31,20,000	1,66,917	46,68,291
2.	Stock option	Nil	Nil	Nil	
3.	Sweat equity	Nil	Nil	Nil	
4.	. Commission - as % of profit - others, specify...	Nil	Nil	Nil	
5.	Others, please specify	Nil	Nil	Nil	
	Total				
	Ceiling as per the Act	11% of Net Profit		11% of Net Profit	46,68,291

The remuneration to MD was provided for upto the month of August 2018 as MD resigns as on September 2018

The remuneration to WTD was paid for the month of March 2019.

B. Remuneration to Other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors (₹50000/- and 15,000/-for 4 Independent Directors and 5 NEDs)				Total Amount
	1.Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	8,65,000				8,65,000
	Total (1)	8,65,000				8,65,000
	2.Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	13,15,000				13,15,000
	Total (2)	13,15,000				13,15,000
	Total (B)=(1+2)	21,80,000				21,80,000
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

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	4,48,510	(**)	8,44,808	12,93,318
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total	-	-	-	12,93,318

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. DIRECTORS					
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

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

Indrajit Gupta
(Chairman)

Place : Kolkata
Date : 14.05.2019

CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, lenders and the Government. The Company is committed to achieving & maintaining good standards of corporate governance.

The Company maintains adequate internal control system, which provides among other things, reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of company's assets.

The Board of directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

The Statutory Auditors of the Company are Deloitte Haskins & Sells and the Internal Auditors are Protiviti (for HO). The auditors independently evaluate the Company's internal control, adequacy and dependability of records both through systems and field visits and they report directly to the Audit Committee. The Company's IT system is audited once in a year.

The Company is a listed company in BSE for its debt security.

In addition, the Company has a well structured system of risk management and risk reporting.

MANAGEMENT PROFILE

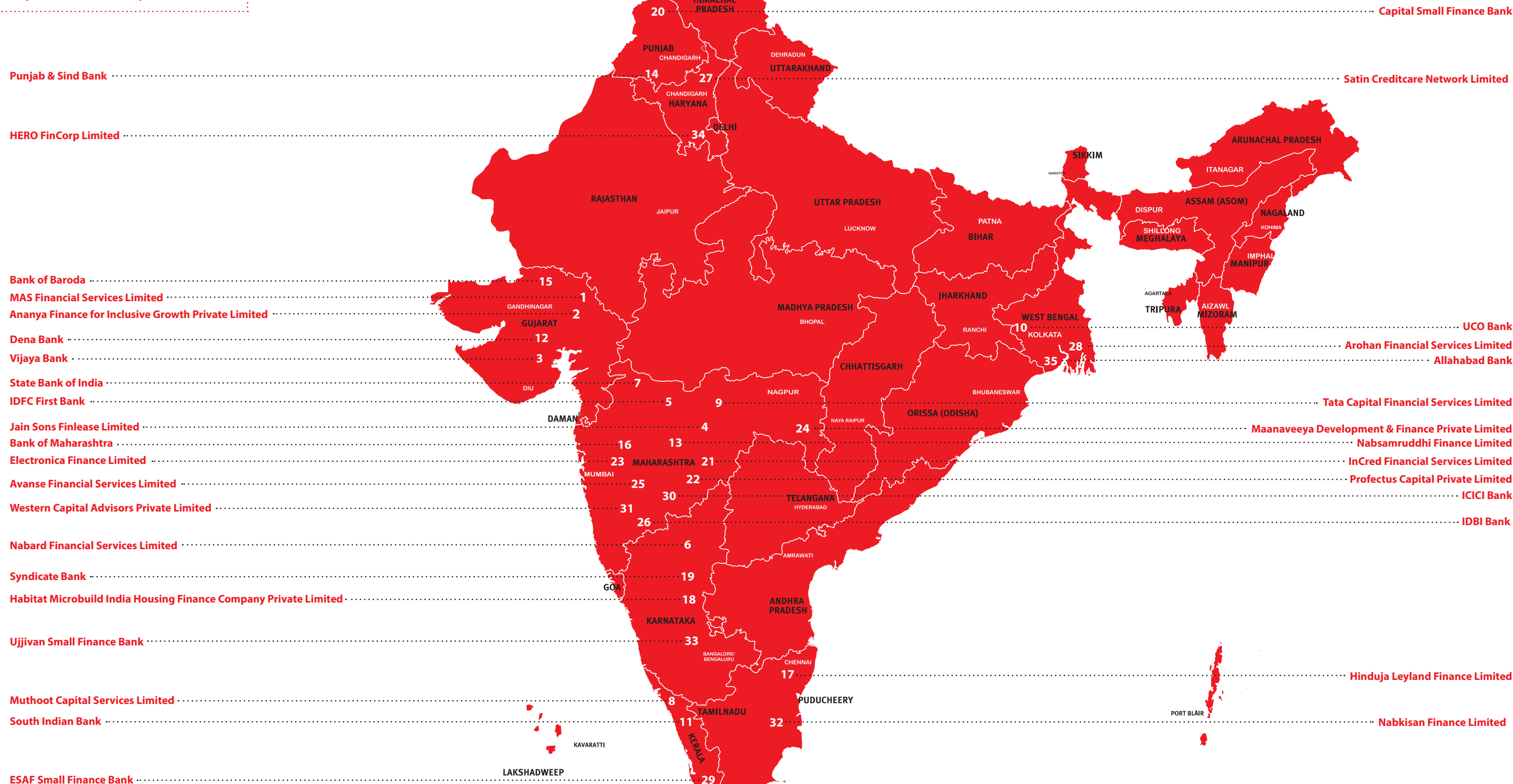
Name	Position	Qualification	Brief Profile
Mr. Indrajit Gupta	Chairman	B.E (Electrical)	Mr. Indrajit Gupta was Dy. Managing Director of SBI and Managing Director & CEO of SBI Capital Markets Limited. He was also the Managing Director of Peerless Securities Limited. His extensive experience in the financial srvcies domain adds immense value to the organization.
Mr. Sourav Ghosh	Whole-time Director	B. Tech. & PGDM (Marketing)	Mr. Sourav Ghosh is a PGDM (Marketing) from IMT Ghaziabad. He acted as LM-CEO in OYO Business handling business Development, Sales and Operations. He was also the Senior Account Manager in Snapdeal handling sales and marketing and key account management. He is young, energetic and his varied experience is expected to take the organization forward.
Mr. Jaydeep Ghosh	CEO	B. Com (Hons.)	Mr. Jaydeep Ghosh has over two decades of experience in the BFSI segment. Before taking charge as COO for the 2nd term from Aug'18, he has been with Jagaran as COO since inception till Dec'15. His previous employers were ICICI Prudential Life Insurance and Axis Bank. Before joining Jagaran, he was the Zonal Manager (Eastern India) for Agency Development with ICICI Prudential Life Insurance. At Axis Bank he was in charge of retail banking in the Eastern Zone.
Mr. Tirtha Pratim Sahu	CFO	CA & CMA	Mr. Tirtha Pratim Sahu, is a Chartered Accountant (CA) and Cost and Management Accountant (CMA). His previous employers were MSTC Limited and West Bengal Power Development Corporation Limited.
Ms. Tanusree Ghosh	Company Secretary	B.A L.L.B CS	A.C.S Tanusree Ghosh, aged 32 years, she is a B.A L.L.B (5 years) from Calcutta University and A.C.S. She also had a short tenure in Hindustan Paper Corporation Limited (A Govt. of India Undertaking) before joining Jagaran in 2014.
Ms. Aatreyee Majumder	Chief Officer (Risk Strategy and Analytics)	M. Sc (Eco) & MS (International Financial Economics)	Ms. Aatreyee Majumder is a Master of Science, Economics and International Financial Economics from the University of Warwick and had worked in many academic projects. She did her Masters in Economics from Calcutta University and is an NSE certified Capital Market professional. She also acted as Facilitator of the Department of Social Work & National Service Scheme (NSS), 2010 – 2013. She is young, energetic & her educational background as well as her experience with a Non-Profit organization in dealing underprivileged children shall help the organization significantly.

LENDERS **PROFILE**

Jagaran is a cumulative effort and contributions of all our partners who has supported us in every steps.

OVERSEAS LENDERS

- 36 Blue Orchard Microfinance Fund
- 37 Japan ASEAN Women Empowerment Fund



INDEPENDENT AUDITOR'S REPORT

To The Members of Jagaran Microfin Private Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Jagaran Microfin Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance

Sl. No.	Key Audit Matter	Auditor's Response
1.	Loans to customers The outstanding amount of Loans disbursed by the Company stands at ₹3,77,69,55,801 as on March 31, 2019. Considering the materiality of the amount of Loan balances in the context of the Company's financial statements and the regulatory compliances, this is considered to be the area that had a greater focus of our audit and a key audit matter. (Refer note 12 and 13 to the financial statements)	Our audit approach consisted of the test of design and operating effectiveness of internal controls and substantive testing as follows: <ul style="list-style-type: none"> Obtaining audit evidence in respect of key controls over the loan origination processes. Performing a risk-based test of loans to ensure that loans have been activated only after valid loan agreement have been entered and funds have been disbursed to the customers.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 in the audit, or otherwise appears to be materially misstated.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

We also provide those charged with governance with a statement

that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit we report that:
 - 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.
 - 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.
 - The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended. In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, Section 197 of the Act related to the managerial remuneration is not applicable.
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - The Company does not have any pending litigations which would impact its financial position.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

For Deloitte Haskins & Sells

Chartered Accountants
(Firm's Registration No. 302009E)

Abhijit Bandyopadhyay

Partner
(Membership No. 054785)
Kolkata, May 14, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **Jagaran Microfin Private Limited** ("the Company") as of March 31, 2019 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

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

Auditor's Responsibility

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

about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells

Chartered Accountants
(Firm's Registration No.302009E)

Abhijit Bandyopadhyay

Partner
(Membership No.054785)
Kolkata, May 14, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the management in accordance with a regular program of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable

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

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

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

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

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

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

- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax,

Goods & Service Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

- (c) There are no dues of Income-tax, Sales Tax, Goods & Service Tax, Service Tax and Value Added Tax as on March 31, 2019 on account of disputes.

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

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

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

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

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

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

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

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

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

For Deloitte Haskins & Sells

Chartered Accountants
(Firm's Registration No. 302009E)

Abhijit Bandyopadhyay

Partner
(Membership No.054785)
Kolkata, May 14, 2019

JAGARAN MICROFIN PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2019 | (All amounts in ₹)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	43,49,62,000	43,49,62,000
(b) Reserves and Surplus	3	38,41,96,482	30,68,40,476
		81,91,58,482	74,18,02,476
(2) Non Current Liabilities			
(a) Long Term Borrowings	4	1,81,66,31,595	92,73,82,301
(b) Long Term Provisions	5	50,26,045	23,12,247
		1,82,16,57,640	92,96,94,548
(3) Current Liabilities			
(a) Trade Payables	6		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,71,72,155	1,64,31,949
(b) Other Current Liabilities	7	1,89,78,15,926	1,22,93,04,022
(c) Short Term Provisions	8	4,10,19,902	2,22,23,458
		1,95,60,07,983	1,26,79,59,429
Total		4,59,68,24,105	2,93,94,56,453
II. ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment			
(i) Tangible Assets	9	1,11,71,872	1,08,33,342
(ii) Intangible Assets	9	27,28,040	19,64,367
		1,38,99,912	1,27,97,709
(b) Deferred Tax Assets (Net)	10	93,51,426	62,22,625
(c) Long Term Loans and Advances	11	1,63,55,853	54,96,116
(d) Other Non Current Assets	12	54,75,39,552	36,34,77,396
		58,71,46,743	38,79,93,846
(2) Current Assets			
(a) Receivables under Finance Activity	13	3,47,29,55,800	2,21,10,95,996
(b) Cash and Bank Balances	14	43,15,17,088	30,22,74,321
(c) Short Term Loans and Advances	15	7,53,532	6,45,573
(d) Other Current Assets	16	10,44,50,942	3,74,46,717
		4,00,96,77,362	2,55,14,62,607
Total		4,59,68,24,105	2,93,94,56,453
Summary of Significant Accounting Policies	1C		
The accompanying notes are an integral part of the financial statements	2-34		

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Firm Registration No.: 302009E

Abhijit Bandyopadhyay

Partner

Place: Kolkata

Date : May 14, 2019

For and on behalf of the Board of Directors
Indrajit Gupta

Chairman

DIN - 00157123

Tirtha Pratim Sahu

Chief Financial Officer

Place: Kolkata

Date : May 14, 2019

Sourav Ghosh

Director

DIN - 08154243

Tanusree Ghosh

Company Secretary

JAGARAN MICROFIN PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019 | (All amounts in ₹)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I. Revenue from Operations	17	72,06,57,904	42,85,80,945
II. Other Income	18	3,43,82,640	2,78,24,530
III. TOTAL REVENUE (I+II)		75,50,40,544	45,64,05,475
IV. EXPENSES			
(a) Employee Benefits Expense	19	11,19,58,717	8,70,12,692
(b) Finance Cost	20	38,95,62,696	21,35,24,309
(c) Provision/Write Off for Receivables under Finance Activity	21	3,00,02,192	1,61,08,982
(d) Depreciation and Amortisation Expenses	9	43,86,485	34,42,240
(e) Administrative and Other Expenses	22	7,48,15,803	4,80,21,785
Total Expenses		61,07,25,893	36,81,10,008
V. PROFIT BEFORE TAX (III-IV)		14,43,14,651	8,82,95,467
VI. TAX EXPENSES			
(a) Current Tax		4,22,95,847	2,47,21,096
(b) Deferred Tax	10	(31,28,801)	(12,48,532)
VII. PROFIT FOR THE YEAR (V-VI)		10,51,47,605	6,48,22,903
Earnings per Equity Share of ₹ 10 each	25		
(a) Basic		2.42	1.51
(b) Diluted		2.42	1.51
Summary of Significant Accounting Policies	1C		
The accompanying notes are an integral part of the financial statements	2-34		

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Firm Registration No.: 302009E

Abhijit Bandyopadhyay

Partner

Place: Kolkata

Date : May 14, 2019

For and on behalf of the Board of Directors
Indrajit Gupta

Chairman

DIN - 00157123

Tirtha Pratim Sahu

Chief Financial Officer

Place: Kolkata

Date : May 14, 2019

Sourav Ghosh

Director

DIN - 08154243

Tanusree Ghosh

Company Secretary

JAGARAN MICROFIN PRIVATE LIMITED
Cash Flow Statement for the year ended March 31, 2019 | (All amounts in ₹)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit Before Tax	14,43,14,651	8,82,95,467
	Adjustments for:		
	Depreciation and Amortisation Expenses	43,86,485	34,42,240
	Dividend Income from Current Investments in Mutual Fund	(97,67,609)	(91,77,199)
	Interest on Term Deposits and Security Deposits	(2,25,55,377)	(1,82,87,746)
	Operating Profit before working capital changes	11,63,78,150	6,42,72,762
	Adjustment for changes in Operating Assets & Liabilities		
	Adjustments for (increase) in operating assets:		
	Receivables under Finance Activity	(1,43,72,31,098)	(1,05,41,64,159)
	Long Term Loans & Advances	(1,07,91,339)	(4,27,013)
	Short Term Loans & Advances	(1,07,959)	(1,96,228)
	Other Current Assets	(83,80,791)	(7,06,932)
	Other Non Current Assets	(8,71,952)	-
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade Payables	7,40,206	19,76,800
	Other Current Liabilities	3,43,17,236	95,96,187
	Long Term Provisions	8,14,910	10,69,484
	Short Term Provisions	75,004	(12,10,925)
	Cash used in operations	(1,30,50,57,633)	(97,97,90,024)
	Income Tax Paid	(3,62,61,402)	(2,46,76,328)
	Net Cash used in operating activities	(1,34,13,19,035)	(1,00,44,66,352)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(54,88,688)	(59,61,781)
	Purchase of Investment in Mutual Fund	(4,12,36,48,528)	(2,05,09,39,112)
	Sale of Investment in Mutual Fund	4,12,36,48,528	2,05,09,39,112
	Investment in Deposits with Banks & NBFCs (net)	(14,84,91,688)	(2,51,33,280)
	Interest Received on Fixed Deposits and Security Deposits	1,56,51,486	2,38,06,955

JAGARAN MICROFIN PRIVATE LIMITED
Cash Flow Statement for the year ended March 31, 2019 | (All amounts in ₹)

	Dividend Received from Mutual Fund	97,67,609	91,77,199
	Net cash generated/(used) in investing activities	(12,85,61,281)	18,89,093
	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Dividend and Dividend Tax Paid	(2,77,91,599)	(2,64,89,606)
	Issue of Non Convertible Debentures	55,00,00,000	-
	Borrowings from Banks and NBFCs	2,49,00,00,000	1,98,00,00,000
	Repayment of Borrowings to Banks and NBFCs	(1,51,65,56,037)	(1,27,70,61,383)
	Share Application Money Refunded	-	(9,33,58,500)
	Net Cash generated from financing activities	1,49,56,52,364	58,30,90,511
	Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	2,57,72,048	(41,94,86,748)
	Add: Cash and Cash equivalents at the beginning of the year	25,54,96,830	67,49,83,578
	Cash and Cash equivalents at the end of year	28,12,68,878	25,54,96,830

Additional notes to cash flow statement:

- Figures in brackets indicate outflows.
- Cash and bank balances includes cash equivalents (Refer Note 14)
- Previous year figures have been regrouped/restated wherever necessary

In terms of our report attached

For and on behalf of the Board of Directors
For Deloitte Haskins & Sells

Chartered Accountants
Firm Registration No.: 302009E

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date : May 14, 2019

Indrajit Gupta
Chairman
DIN - 00157123

Sourav Ghosh
Director
DIN - 08154243

Tirtha Pratim Sahu
Chief Financial Officer

Tanusree Ghosh
Company Secretary

Place: Kolkata
Date : May 14, 2019

JAGARAN MICROFIN PRIVATE LIMITED

Notes forming part of the Financial Statements

Note 1: Summary of Significant Accounting Policies

Note 1A: Corporate Information

Jagaran Microfin Private Limited is a Non-Banking Financial Company - Micro Finance Institutions and holds a valid certificate of registration issued by the Reserve Bank of India. The Company has received registration as NBFC-MFI under Non-Banking Financial Company Micro Finance Institutions (NBFC-MFIs) directions on September 27, 2013.

Note 1B: Basis of preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2006, as amended and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared on an accrual basis under the historical cost convention and considering the directions issued by the Reserve Bank of India (RBI) to the extent applicable to the Company. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Note 1C: Summary of Significant Accounting Policies

a. Use of Estimates

The presentation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liability) and the reported income and expenses during the period. The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and difference between the actual results and estimates are recognized in the period in which the results are known/material.

b. Cash Flow Statement

Cash flow is reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated based on available information.

Cash and cash equivalents (for the purpose of cash flow statement)

Cash comprises of cash in hand and demand deposits with bank. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into amounts of cash and which are subject to insignificant risk of changes in value.

c. Revenue Recognition

Revenue from interest on loans extended by the Company is recognized on accrual basis, considering the directions issued by Reserve Bank of India from time to time in terms of the Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, as amended. Revenue from loan processing charges are recognized at the time of disbursement of loans.

Revenue from interest income on fixed deposits with banks is recognized on time proportion basis taking into account the amount outstanding and rates applicable.

Grants received are considered as other income as and when received and revenue expenditure relating to the grants are charged to Statement of Profit & Loss and capital expenditure relating to the grants is capitalized as fixed assets.

Commission on loan portfolio management services is recognised on accrual basis.

d. Depreciation and Amortization

Depreciable amount of assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

The useful life being followed by the Company as prescribed in Schedule II to the Companies Act, 2013 as follows:

Asset	Useful Life as per Schedule II (in Years)
Office Equipments	5
Furniture and Fittings	10
Motor Car	8
Computer	3

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Software- 6 years

e. Property, Plant and Equipment

Fixed Assets are stated at cost, net of accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on fixed assets after purchase is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

The carrying values of assets or cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

f. Investments

Investments are classified into current investments and long term investments. Current investments are carried at lower of cost or fair value. Long term investments are carried individually at cost less provision made to recognize any decline, other than temporary, in the value of such investments. Costs of investments include acquisition charges such as brokerage, fees and duties.

g. Receivables under Finance Activities

Receivables under financing activity include Business Loans, Housing Loans and Education loans. Loans are classified into 'standard and Non-Performing' assets in terms of the -Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, as amended and NBFC, MFI directions (as applicable) issued by the Reserve Bank of India as amended from time to time.

h. Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, compensated absences and gratuity fund.

i) Short term employee benefits including salaries and ex-gratia are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the period in which the related service is rendered. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

ii) Company's Contributions to Provident Fund, Pension Fund and employee state insurance scheme are considered as defined contribution plans and are charged as expense based on amount of contribution to be made and when services are rendered by employees.

iii) For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

iv) Long-term employee benefits, Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

i. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs and processing fees are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

j. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

k. Taxes

Current tax is the amount of tax payable on the taxable income of the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred Tax is recognised on timing differences being the differences between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted as at the reporting date. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed at each balance sheet date for their realisability.

JAGARAN MICROFIN PRIVATE LIMITED
Notes forming part of the Financial Statements | (All amounts in ₹)

I. Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

m. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of activities of the Company and normal time between acquisition of assets and their realisation of cash and cash equivalent, the Company has determined an operating cycle of 12 months for the purpose of classification of its assets and liabilities as current or non-current.

Note 2: Share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised 7,50,00,000 Equity shares of ₹ 10/- each (March 31, 2018: 7,50,00,000 Equity shares of ₹ 10/- each)	75,00,00,000	75,00,00,000
	75,00,00,000	75,00,00,000
Issued 4,34,96,200 Equity Shares of ₹ 10/- each (March 31, 2018: 4,34,96,200 Equity shares of ₹ 10/- each)	43,49,62,000	43,49,62,000
	43,49,62,000	43,49,62,000
Subscribed & fully paid Up 4,34,96,200 Equity shares of ₹ 10/- each (March 31, 2018: 4,34,96,200 Equity shares of ₹ 10/- each)	43,49,62,000	43,49,62,000
	43,49,62,000	43,49,62,000

i) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2019	As at March 31, 2018
Number of Shares outstanding at the beginning of the year	4,34,96,200	3,48,20,000
Add: Shares issued during the year	-	86,76,200
Number of Shares outstanding at the end of the year	4,34,96,200	4,34,96,200

ii) Details of shareholding more than 5% of outstanding shares :

Class of shares/name of the shareholder	Number of shares	Percentage of holding	Number of shares	Percentage of holding
	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018
Equity shares: GTFS MULTI SERVICES LIMITED	3,48,15,600	80.04	3,48,15,600	80.04

iii) The Company has only one class of equity share having a nominal value of ₹ 10/- per share.

Each holder of equity share is entitled to one vote per equity share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution shall be according to the members' rights and interest in the Company.

JAGARAN MICROFIN PRIVATE LIMITED
Notes forming part of the Financial Statements | (All amounts in ₹)

Note 3: Reserves & Surplus

Particulars	As at March 31, 2019	As at March 31, 2018
a. Securities Premium Opening balance Add: Additions during the year Less: Utilised during the year Closing balance	4,35,13,000 - - 4,35,13,000	1,32,000 4,33,81,000 - 4,35,13,000
b. Other Reserves-Statutory Reserve* Opening balance Add: Additions during the year Less: Utilised during the year Closing balance	6,36,59,667 2,10,29,521 - 8,46,89,188	5,06,95,086 1,29,64,581 - 6,36,59,667
c. Surplus in the statement of Profit and Loss Opening balance Add: Profit for the year Less: Dividend paid Less: Dividend distribution tax Less: Transferred to statutory reserve Closing balance	19,96,67,809 10,51,47,605 2,30,52,987 47,38,612 2,10,29,521 25,59,94,294 38,41,96,482	17,42,99,093 6,48,22,903 2,20,09,077 44,80,529 1,29,64,581 19,96,67,809 30,68,40,476

* The Company has transferred 20% of the Profit after Tax to the Statutory Reserve in accordance with the provisions of Section 45 - IC of the Reserve Bank of India Act, 1934.

Note 4: Long Term Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured (i) Term Loans (a) From Banks (b) From Non Banking Financial Companies	56,93,78,886 69,72,52,709 1,26,66,31,595	47,92,17,820 44,81,64,481 92,73,82,301
(ii) Non Convertible Debentures - Listed *	55,00,00,000 1,81,66,31,595	- 92,73,82,301

* During the year ended March 31, 2019, the Company has raised ₹55,00,00,000 (Previous Year ₹ Nil) through private issue of secured Non-Convertible Debenture which are secured against hypothecation of Book Debts of the Company. These debenture are having a tenure of 48 months and carries rate of interest at 13.0465% and are redeemable at par in single instalment. These debentures further contains both put and call option exercisable on or after twenty four months from the date of the issue.

JAGARAN MICROFIN PRIVATE LIMITED

Notes forming part of the Financial Statements | (All amounts in ₹)

4(i) Details of terms of repayment for the Long Term Borrowings from Banks and NBFCs and security provided in respect of the same:

Particulars	Details of security	Terms of repayment	As at 31 March, 2019			As at 31 March, 2018		
			Instalment due	Long Term	Current Maturities	Instalment due	Long Term	Current Maturities
Term loans from Banks:				₹	₹		₹	₹
IDBI Bank	Hypothecation of Book Debt, Term deposit & Corporate Guarantee of GTFSMSL	Monthly		3,12,50,005	1,87,49,995	6	-	2,50,00,000
Punjab & Sind Bank	Hypothecation of Book Debt, Cash Margin, Corporate Guarantee of GTFSMSL	Monthly	21	1,36,16,000	1,81,92,000	33	3,18,08,000	1,81,92,000
DENA Bank	Hypothecation of Book Debt, Term deposit & Corporate Guarantee of GTFSMSL	Monthly	11	-	1,66,60,121	23	1,66,59,247	1,81,81,824
Vijaya Bank	Hypothecation of Book Debt,Cash Margin, Corporate Guarantee of GTFSMSL	Monthly	17	1,25,00,014	5,41,66,666	38	6,66,66,678	6,24,99,990
South Indian Bank	Hypothecation of Book Debt, Term deposit & Corporate Guarantee of GTFSMSL	Monthly	11	-	91,24,981	23	91,55,280	1,00,00,000
Syndicate Bank	Hypothecation of Book Debt, Cash Margin, Corporate Guarantee of GTFSMSL	Quarterly	5	-	5,55,55,555	9	4,44,44,445	5,55,55,555
UCO Bank	Hypothecation of Book Debt, Term deposit & Corporate Guarantee of GTFSMSL	EMI	36	3,29,10,202	5,22,10,284	60	8,51,19,640	5,04,69,019
Bank Of Baroda	Hypothecation of Book Debt, Term deposit & Corporate Guarantee of GTFSMSL	Quarterly	7	1,50,00,000	2,00,00,000	11	3,50,00,000	2,00,00,000
Bank Of Maharashtra	Hypothecation of Book Debt, Term deposit & Corporate Guarantee of GTFSMSL	Monthly	23	3,05,99,210	3,33,33,336	36	6,38,88,886	3,61,11,114
Capital Small Finance Bank	Hypothecation of Book Debt, Term deposit & Corporate Guarantee of GTFSMSL	EMI	15	1,44,17,615	5,29,01,147	24	5,98,08,988	4,01,91,012
State Bank of India	Hypothecation of Book Debt , Cash Margin, Corporate Guarantee of GTFSMSL	Monthly	41	12,30,00,000	13,83,37,260	24	6,66,66,656	11,31,86,829
ICICI Bank	Hypothecation of Book Debt , Cash Margin, Corporate Guarantee of GTFSMSL	Monthly	22	8,18,18,180	6,81,81,820	-	-	-
ESAF Small Finance Bank	Hypothecation of Book Debt , Cash Margin, Corporate Guarantee of GTFSMSL	Monthly	22	5,45,45,450	4,54,54,550	-	-	-
IDFC First Bank	Hypothecation of Book Debt, Corporate Guarantee of GTFSMSL	Quarterly & Monthly	72	15,97,22,210	11,49,24,242	-	-	-
Total - Term loans from Banks (A)			327	56,93,78,886	69,77,91,957	287	47,92,17,820	44,93,87,343

JAGARAN MICROFIN PRIVATE LIMITED

Notes forming part of the Financial Statements | (All amounts in ₹)

4(ii) Details of terms of repayment for the Long Term Borrowings from Banks and NBFCs and security provided in respect of the same:

Particulars	Details of security	Terms of repayment	As at 31 March, 2019			As at 31 March, 2018		
			Instalment due	Long Term	Current Maturities	Instalment due	Long Term	Current Maturities
Term loans from NBFCs:								
Ananya Finance for Inclusive Growth Private Limited	Hypothecation of Book Debt, Margin	Monthly	12	-	4,79,16,669	28	4,79,16,675	5,83,33,319
Capital First Limited	Hypothecation of Book Debt , Corporate Guarantee of Holding Company GTFSMSL	Quarterly		-	-	12	3,57,57,571	9,57,57,577
Mannaveeya Development & Finance Private Limited	Hypothecation of Book Debt,Cash Margin	Monthly	28	7,05,76,000	5,29,32,000	-	-	-
Nabsamrudhhi Financial Limited	Hypothecation of Book Debt, Corporate Guaranteee of GTFSMSL, Fixed Deposit	Quarterly	15	5,54,16,760	4,92,39,901	8	1,75,75,000	1,75,76,000
Nabard Financial Services Limited	Hypothecation of Book Debt , Fixed Deposit	Monthly	19	1,95,85,456	3,36,00,000	5	-	2,37,50,000
Jain Sons Finlease Limited	Hypothecation of Book Debt , Fixed Deposit	EMI	11	-	2,25,89,136	25	2,25,89,136	6,88,64,827
Electronica Finance Limited	Hypothecation of Book Debt, Deposit	EMI	16	55,86,443	1,53,09,935	-	-	-
Muthoot Capital Services Limited	Hypothecation of Book Debt, Comfort letter of GTFSMSL	Monthly	10	-	2,08,33,338	25	2,08,33,338	3,93,05,758
Visu Leasing Finance Limited	Hypothecation of Book Debt	EMI	16	1,86,70,166	5,10,31,090	-	-	-
Profectus Capital Service Limited	Hypothecation of Book Debt, Fixed Deposit	EMI	4	-	69,84,536	-	-	-
Reliance Commercial Finance Limited	Hypothecation of Book Debt, Fixed Deposit, Corporate Guarantee of GTFSMSL	Monthly	-	-	-	15	-	6,60,30,243
MAAS Financial Services Limited	Hypothecation of Book Debt, Deposit and Comfort letter of GTFSMSL	Monthly	214	17,70,83,330	55,08,33,349	146	23,33,30,377	35,00,00,024
Hinduja Leyland Finance Limited	Hypothecation of Book Debt , Comfort Letter of GTFSMSL	EMI	51	6,95,87,708	5,18,50,757	34	4,61,26,506	2,06,91,649
Habitat Microbuild India Housing Finance Company Private Limited	Hypothecation of Book Debt, Cash Margin	EMI	128	6,41,08,067	1,80,34,489	48	2,40,35,878	59,64,122
TATA Capital Financial Services Limited	Hypothecation of Book Debt, Fixed Deposit and Corporate Guaranteee of GTFSMSL	Quarterly	5	87,50,000	3,50,00,000	1	-	1,25,00,000
Avanse Financial Services Limited	Hypothecation of Book Debt, Fixed Deposit	EMI	12	-	4,62,99,877	-	-	-
NABKISAN Finance Limited	Hypothecation of Book Debt, Fixed Deposit , Comfort Letter of GTFSMSL	Quarterly	12	11,24,97,280	3,75,00,000	-	-	-
Satin Creditcare Network Limited	Hypothecation of Book Debt, Deposit	EMI	18	2,90,95,681	4,09,04,319	-	-	-
Satin Finserv Limited	Hypothecation of Book Debt, Deposit	EMI	18	1,24,69,578	1,75,30,422	-	-	-
Arohan Financial Services Limited	Hypothecation of Book Debt, Deposit	EMI	24	2,67,42,907	2,32,57,093	-	-	-
Western Capital Advisors Private Limited	Hypothecation of Book Debt	Monthly	24	2,70,83,333	2,29,16,663	-	-	-
Total - Term loans from NBFCs (B)		Total	637	69,72,52,709	1,14,45,63,574	347	44,81,64,481	75,87,73,519
Total - Term loans from Banks and NBFCs (A+B)			964	1,26,66,31,595	1,84,23,55,531	634	92,73,82,301	1,20,81,60,862

JAGARAN MICROFIN PRIVATE LIMITED**Notes forming part of the Financial Statements | (All amounts in ₹)**

Note 5: Long Term Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Provision for Employee Benefit		
(i) Provision for Compensated Absence	18,70,847	11,32,894
(ii) Provision for Gratuity (Refer Note 28)	1,15,198	38,241
(b) Provisions - Others		
Provision for Receivables under Financing Activity		
Provision for standard assets (Refer Note 29.1)	30,40,000	11,41,112
	50,26,045	23,12,247

Note 6: Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises (Refer note 23.4)	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,71,72,155	1,64,31,949
	1,71,72,155	1,64,31,949

Note 7: Other Current Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Current Maturities of Long Term Borrowing [(Refer note 4(i))]	1,84,23,55,531	1,20,81,60,862
(b) Interest Accrued But not Due on Borrowings	4,55,23,707	1,15,63,647
(c) Statutory Dues	57,11,426	41,38,692
(d) Other Payables	42,25,262	54,40,821
	1,89,78,15,926	1,22,93,04,022

Note 8: Short Term Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Provision for Employee Benefits:		
(i) Provision for Compensated Absence	1,59,079	1,08,926
(ii) Provision for Gratuity (Refer Note 28)	28,422	3,572
(b) Provision for Tax		
Provision for Tax (Net of Advance Tax ₹ 3,61,93,003, Previous year: ₹ NIL)	61,02,843	-
(c) Provision for others:		
Provision for Receivables under Finance Activity		
(i) Provision for standard assets (Refer Note 29.1)	2,77,02,940	37,82,933
(ii) Provision for non performing assets (Refer Note 29.1)	70,26,618	1,83,28,027
	4,10,19,902	2,22,23,458

JAGARAN MICROFIN PRIVATE LIMITED

Notes forming part of the Financial Statements | (All amounts in ₹)

Note 9: Property, Plant and Equipment

PARTICULARS	GROSS BLOCK AT COST			DEPRECIATION / AMORTISATION						NET BLOCK	
	As at April 1, 2018	Additions during the year	Adjustment / Deletion	As at March 31, 2019	Upto April 1, 2018	Charged during the year	Adjustment / Deletion	Total March 31, 2019	As at March 31, 2019	As at March 31, 2018	
(A) Tangible assets											
Office equipment	49,04,906 (28,43,470)	3,90,526 (20,77,936)	- (16,500)	52,95,432 (49,04,906)	16,81,108 (8,85,978)	9,46,271 (8,01,341)	- (6,211)	26,27,379 (16,81,108)	26,68,053 (32,23,798)	32,23,798 (19,57,492)	
Furniture & fittings	42,31,393 (30,18,254)	8,99,298 (12,13,139)	- -	51,30,691 (42,31,393)	13,01,965 (9,51,391)	4,71,069 (3,50,574)	- -	17,73,034 (13,01,965)	33,57,657 (29,29,428)	29,29,428 (20,66,863)	
Motor car	7,22,966 (7,22,966)	8,78,904 -	- -	16,01,870 (7,22,966)	1,55,227 (64,389)	1,15,771 (90,838)	- -	2,70,998 (1,55,227)	13,30,872 (5,67,739)	5,67,739 (6,58,577)	
Computer	96,69,098 (70,14,805)	18,28,610 (26,54,293)	- -	1,14,97,708 (96,69,098)	55,56,721 (40,00,343)	21,25,697 (15,56,378)	- -	76,82,418 (55,56,721)	38,15,290 (41,12,377)	41,12,377 (30,14,462)	
Total (A)	1,95,28,363 (1,35,99,495)	39,97,338 (59,45,368)	- (16,500)	2,35,25,701 (1,95,28,363)	86,95,021 (59,02,101)	36,58,808 (27,99,131)	- (6,211)	1,23,53,829 (86,95,021)	1,11,71,872 (1,08,33,342)	1,08,33,342 (76,97,394)	
(B) Intangible assets											
Computer-software	46,20,627 (44,78,927)	14,91,350 (1,41,700)	- -	61,11,977 (46,20,627)	26,56,260 (20,13,151)	7,27,677 (6,43,109)	- -	33,83,937 (26,56,260)	27,28,040 (19,64,367)	19,64,367 (24,65,776)	
Total (B)	46,20,627 (44,78,927)	14,91,350 (1,41,700)	- -	61,11,977 (46,20,627)	26,56,260 (20,13,151)	7,27,677 (6,43,109)	- -	33,83,937 (26,56,260)	27,28,040 (19,64,367)	19,64,367 (24,65,776)	
(C) Intangible assets under development											
Total (C)	- (1,15,000)	- -	- (1,15,000)	- -	- -	- -	- -	- -	- -	- (1,15,000)	
Total (A+B+C)	2,41,48,990 (1,81,93,422)	54,88,688 (60,87,068)	- (1,31,500)	2,96,37,678 (2,41,48,990)	1,13,51,281 (79,15,252)	43,86,485 (34,42,240)	- (6,211)	1,57,37,766 (1,13,51,281)	1,38,99,912 (1,27,97,709)	1,27,97,709 (1,02,78,170)	

JAGARAN MICROFIN PRIVATE LIMITED
Notes forming part of the Financial Statements | (All amounts in ₹)

Note 10: Deferred Tax Assets (Net)

Particulars	Deferred Tax Assets /(Liabilities)	Current Year Credit / (Charge)	Deferred Tax Assets/ (Liabilities)
	As at March 31, 2018		As at March 31, 2019
Tax effect of items constituting deferred tax liabilities			
On difference between book balance and tax balance of property, plant and equipment	(6,30,974)	4,70,360	(1,60,614)
Tax effect of items constituting deferred tax assets			
Provision under Finance Activity	51,55,528	22,42,307	73,97,835
Disallowances under section 43B of Income Tax Act, 1961	16,98,071	4,16,134	21,14,205
	68,53,599	26,58,441	95,12,040
Net deferred tax assets/(liabilities)	62,22,625	31,28,801	93,51,426

Note 11: Long Term Loans and Advances

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
(a) Security Deposits	76,35,589	11,27,583
(b) Advance with Non Banking Financial Companies	42,83,333	-
(c) Advance Tax (Net of provisions : ₹ 5,03,71,573 (Previous year: ₹ 5,03,71,573)	44,36,931	43,68,533
	1,63,55,853	54,96,116

Note 12: Other Non Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Receivables under finance activity		
(i) Considered good (Refer Note 29.1)	30,40,00,001	11,41,11,221
(ii) Considered doubtful (Refer Note 29.1)	-	-
(b) Term Deposit with Non Banking Financial Companies #	6,26,50,000	6,97,50,000
(c) Term Deposit with Banks #	17,53,70,969	17,40,00,000
(d) Accrued Interest on Term Deposits with Banks	29,19,316	39,39,352
(e) Accrued Interest on Term Deposits with Non Banking Financial Companies	17,27,316	16,76,823
(f) Prepaid Expenses	8,71,950	-
	54,75,39,552	36,34,77,396

Under lien against borrowings availed by the Company

JAGARAN MICROFIN PRIVATE LIMITED
Notes forming part of the Financial Statements | (All amounts in ₹)

Note 13: Receivables under Finance Activity

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured		
Asset outstanding for a period exceeding six months from the date they were due for payment		
Considered doubtful (Refer Note 29.1)	53,60,122	1,65,49,819
	53,60,122	1,65,49,819
Unsecured		
Other Receivables		
(i) Considered good (Refer Note 29.1)	3,46,42,62,686	2,19,09,89,762
(ii) Considered doubtful (Refer Note 29.1)	33,32,992	35,56,415
	3,46,75,95,678	2,19,45,46,177
	3,47,29,55,800	2,21,10,95,996

Note 14: Cash and Bank Balances

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Cash and Cash equivalents		
(i) Cash in hand	8,66,879	1,16,21,490
(ii) Balances with banks		
- In current accounts	28,04,01,999	24,38,75,340
Total - Cash and Cash Equivalents (a)	28,12,68,878	25,54,96,830
(b) Other Bank Balances		
- Term deposits with maturity within 12 months from the balance sheet date #	15,02,48,210	4,67,77,491
Total - Other Bank Balances (b)	15,02,48,210	4,67,77,491
Total (a)+(b)	43,15,17,088	30,22,74,321

Term deposits with maturity within 12 months from Balance Sheet Date under lien against borrowings availed by the Company

JAGARAN MICROFIN PRIVATE LIMITED
Notes forming part of the Financial Statements | (All amounts in ₹)

Note 15: Short Term Loans and Advances

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
(a) Staff Advance	4,46,876	1,10,663
(b) Advances to Insurance company	2,61,656	4,89,910
(c) Other Advance	45,000	45,000
	7,53,532	6,45,573

Note 16: Other Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Term Deposit with Non Banking Financial Companies #	6,97,50,000	1,90,00,000
(b) Interest Accrued on Term Deposits with Banks	79,16,004	43,11,577
(c) Interest Accrued on Term Deposits with Non Banking Financial Companies	59,96,823	17,27,816
(d) Interest Accrued but not due on Receivables under Finance Activity	1,00,21,347	40,53,609
(e) Prepaid Expenses	46,13,174	9,43,634
(f) Receivable for Managed Portfolio (Business Correspondent)	38,45,627	48,28,899
(g) Others	23,07,967	25,81,182
	10,44,50,942	3,74,46,717

Under lien against borrowings availed by the Company

JAGARAN MICROFIN PRIVATE LIMITED
Notes forming part of the Financial Statements | (All amounts in ₹)

Note 17: Revenue from Operations

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Interest on Loans	64,56,22,908	36,62,49,696
(b) Loan Processing Fee	5,78,41,400	3,73,50,816
(c) Income from Managed Portfolio (Business Correspondent)	1,71,93,596	2,49,80,433
	72,06,57,904	42,85,80,945

Note 18: Other Income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Interest on Term Deposits and Security Deposits	2,25,55,377	1,82,87,746
(b) Dividend Income from Current Investments in Mutual Fund	97,67,609	91,77,199
(c) Bad Debt Recovery	6,38,785	-
(d) Liability Written Back	3,073	2,61,250
(e) Miscellaneous Income	14,17,796	98,335
	3,43,82,640	2,78,24,530

Note 19: Employee Benefit Expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Salaries and Wages	9,95,70,094	7,72,88,345
(b) Contributions to Provident Fund and Other Funds (Refer Note 28)	93,07,303	73,88,420
(c) Staff Welfare Expenses	30,81,320	23,35,927
	11,19,58,717	8,70,12,692

Note 20: Finance Costs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Interest on Borrowings	36,37,63,012	19,30,98,177
(b) Loan Processing Fees, Stamp Duty and Bank Charges	2,57,99,684	2,04,26,132
	38,95,62,696	21,35,24,309

Note 21: Provision/Write off for Receivables under Finance Activity

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Provision For own Portfolio as per RBI Regulation		
Opening Provision as per RBI regulation	2,32,52,072	1,26,26,210
Less: Bad Debt written off	1,54,84,706	54,83,120
	77,67,366	71,43,090
Add: Provision as per RBI regulation for the year	3,00,02,192	1,61,08,982
Closing provision as per RBI regulation	3,77,69,558	2,32,52,072

JAGARAN MICROFIN PRIVATE LIMITED
Notes forming part of the Financial Statements | (All amounts in ₹)

Note 22: Administrative and Other Expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Electricity Charges	29,63,460	12,79,774
(b) Rent	2,45,35,570	1,19,53,770
(c) Repairs & Maintenance	14,04,877	19,93,331
(d) Software Maintenance	11,47,255	11,83,995
(e) Directors' Sitting fees	23,76,200	13,96,450
(f) Printing & Stationery	24,19,542	19,94,458
(g) Telephone, Internet & Fax Expenses	27,65,076	26,78,175
(h) Travelling Expenses	84,95,660	53,20,392
(i) Membership Fees	10,72,579	5,25,523
(j) Professional Fees	47,18,057	46,99,642
(k) Statutory Auditor's Remuneration {Refer Note 22(i)}	21,00,000	18,57,511
(l) Corporate Social Responsibility Expenses (Refer Note 26)	16,35,916	7,75,635
(m) Consultancy Charges	81,84,620	16,20,950
(n) Training Expenses	12,03,011	5,94,674
(o) Rates & Taxes	2,72,673	1,70,978
(p) Internal Audit Fees	14,13,580	8,93,387
(q) Security and Contractual Manpower Expenses	5,99,325	19,36,752
(r) Insurance Premium	13,31,321	7,60,584
(s) Bad Debt Written Off {Refer Note 22(ii)}	3,01,716	24,68,822
(t) Miscellaneous Expenses	58,75,365	39,16,982
	7,48,15,803	4,80,21,785

Note 22 (i):

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Auditors Remuneration		
- As Auditor	17,00,000	15,00,000
- For Taxation Matters	2,00,000	2,00,000
- For Certification Fees	2,00,000	1,50,000
- For Out of Pocket Expenses	-	7,511
	21,00,000	18,57,511

Note 22 (ii):

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Bad Debt Written Off	1,57,86,422	79,51,942
Less: Bad Debt written off from Provision (Refer Note 21)	1,54,84,706	54,83,120
	3,01,716	24,68,822

JAGARAN MICROFIN PRIVATE LIMITED
Notes forming part of the Financial Statements | (All amounts in ₹)

Note 23: Additional information to the financial statements
23.1: Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2019	As at March 31, 2018
Contingent liabilities	NIL	NIL
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for :	NIL	NIL

23.2: Earnings in foreign currency - ₹ Nil (Year ended March 31, 2018: Nil)
23.3: Expenditure in foreign currency - ₹ Nil (Year ended March 31, 2018: Nil)
23.4: 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, 2019 are as under:

Description	Year ended March 31, 2019	Year ended March 31, 2018
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	-	-

23.5: Proposed Dividend on Equity Shares

On May 14, 2019, the Board of Directors of the Company have proposed a final dividend of ₹ 1.20 per share in respect of the year ending 31st March, 2019 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in cash outflow of ₹ 6,29,24,364 inclusive of dividend distribution tax of ₹ 1,07,28,924.

24: List of related parties and relationship

Name	Relationship
GTFS Multi Services Limited	Holding Company
Ms. Abira Majumder	Individual having significant influence.
Ms. Aatreyee Majumder	Individual having significant influence.
Mr. Adipta Majumder	Individual having significant influence.
Mr. Bhabesh Majumder	Relative of Individuals having significant influence.
Mrs. Sona Majumder	Relative of Individuals having significant influence.
Mr. Sourav Ghosh	Director and Relative of Individuals having significant influence. (from March 8, 2019)
Mr. Indrajit Gupta	Chairman, Executive Director
Mr. Jayanta Majumdar	Managing Director (till August 7, 2018)
Mr. Jaydeep Ghosh	CEO (from December 1, 2018)

JAGARAN MICROFIN PRIVATE LIMITED
Notes forming part of the Financial Statements | (All amounts in ₹)

Transaction with related parties

Particulars	Holding Company	Key Management Personal	Individual and relatives of individuals having significant influence
Dividend paid	1,84,52,269	-	34,18,712
	(1,76,16,643)	(-)	(24,71,117)
Rent and maintenance charges	1,86,11,066	-	-
	(41,22,144)	(-)	(-)
Security deposit for rent	65,25,600	-	-
	(4,50,000)	(-)	(-)
Advance rent	69,75,600	-	-
	(-)	(-)	(-)
Rent and maintenance charges (paid to Mr. Bhabesh Majumder and Mrs. Sona Majumder)	-	-	2,83,200
	(-)	(-)	(12,36,900)
Share application money (Refunded to Ms. Abira Majumder)	-	-	-
	(-)	(-)	(6,93,64,500)
Share application money (Refunded to Ms. Aatreyee Majumder)	-	-	-
	(-)	(-)	(59,98,500)
Share application money (Refunded to Mr. Adipta Majumder)	-	-	-
	(-)	(-)	(59,98,500)
Share capital (Issued to Ms. Abira Majumder)	-	-	-
	(-)	(-)	(2,62,50,000)
Share capital (Issued to Ms. Aatreyee Majumder)	-	-	-
	(-)	(-)	(2,40,00,000)
Share capital (Issued to Mr. Adipta Majumder)	-	-	-
	(-)	(-)	(2,40,00,000)
Remuneration of Mr. Indrajit Gupta	-	31,20,000	-
	(-)	(31,20,000)	(-)
Remuneration of Mr. Jayanta Majumdar	-	13,81,320	-
	(-)	(30,00,000)	(-)
Remuneration of Mr. Sourav Ghosh	-	1,66,917	-
	(-)	(-)	(-)
Remuneration of Ms. Aatreyee Majumder	-	-	1,45,239
	(-)	(-)	(-)
Remuneration of Mr. Jaydeep Ghosh	-	8,44,808	-
	(-)	(-)	(-)

Balance outstanding payable as at March 31, 2019		
Particulars	Holding Company	Key Management Personal
Rent and maintenance charges	-	-
	(1,89,540)	(-)
Remuneration of Mr. Indrajit Gupta	-	20,610
	(-)	(80,519)
Remuneration of Mr. Sourav Ghosh	-	1,14,050
	(-)	(-)
Remuneration of Ms. Aatreyee Majumder	-	1,25,529
	(-)	(-)
Remuneration of Mr. Jaydeep Ghosh	-	1,75,455
	(-)	(-)
Balance outstanding receivable as at March 31, 2019		
Security Deposit for rent	69,75,600	-
	(4,50,000)	(-)
Advance rent	43,59,750	-
	(-)	(-)

previous year's numbers are disclosed in bracket

JAGARAN MICROFIN PRIVATE LIMITED
Notes forming part of the Financial Statements | (All amounts in ₹)

Note 25: Earnings per share

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit for the year available to equity shareholders (₹)	10,51,47,605	6,48,22,903
Weighted average number of equity shares	4,34,96,200	4,29,49,481
Nominal value per equity share (₹)	10	10
Basic and diluted earnings per share (₹)	2.42	1.51

Note 26 : Corporate Social Responsibility (CSR) disclosure

In accordance to section 135 of Companies Act 2013, the Company has incurred ₹16,35,916 (March 31, 2018: ₹7,75,635) as CSR expenditure. Under the CSR activities the Company has arranged free skill development training for womens, free medical camp, free primary school training, financial literacy programe,merit scholarship,free coaching center and other social security programmes.

a) Gross amount required to be spent by the Company during the year : ₹18,12,156 /-

b) 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	16,23,342	12,574	16,35,916

Note 27 : Operating Lease as a Lessee

(i) The Company has taken certain office premises under cancellable operating lease arrangements which generally, range between 11 months to 9 years, and are usually renewable by mutual agreement. For the year ended March 31, 2019, lease payments charged to the Statement of Profit and Loss with respect to such leasing arrangements aggregate to ₹2,45,35,570 (March 31, 2018: ₹1,19,53,770) (Refer Note 22).

JAGARAN MICROFIN PRIVATE LIMITED
Notes forming part of the Financial Statements | (All amounts in ₹)

Note 28: Employee Benefits:

The details of employee benefits are given below:

I Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employers' Contribution to Provident & Pension fund	50,03,829	39,58,504

II Defined Benefit Plan
Funded:

Post retirement gratuity:

Details of defined benefit plan of gratuity are given below:

Particulars	March 31,2019	March 31,2018
Components of employer expenses		
Current Service Cost	12,86,943	8,69,917
Interest Cost	2,14,372	1,51,854
Expected Return on Plan Assets	2,08,567	90,865
Actuarial Losses/(Gains)	(1,36,756)	(1,27,015)
Total expense recognized in the Statement of Profit and Loss	11,55,992	8,03,891
Actual Contribution and Benefit Payments for the year ended		
Actual benefit payments	-	-
Actual contributions	10,54,185	15,43,971
Change in Defined Benefit Obligation (DBO) during the year ended		
Present value of DBO at beginning of the year	28,48,908	19,91,809
Current service cost	12,86,943	8,69,917
Interest cost	2,14,372	1,51,854
Actuarial (gains)/losses	(2,06,029)	(1,35,595)
Benefit paid	1,44,130	29,077
Present value of DBO at end of the year	40,00,064	28,48,908

Particulars	March 31,2019	March 31,2018
Net asset/(liability) recognized in Balance Sheet as at		
Fair value of plan assets	38,56,444	28,07,095
Present value of defined benefit obligation	(40,00,064)	(28,48,908)
Net liability recognized in Balance Sheet	(1,43,620)	(41,813)
Present Value of DBO at the end of the year		
Current liability	(28,422)	(3,572)
Non current liability	(1,15,198)	(38,241)
Change in Fair Value of Assets during the year		
Plan assets at the beginning of the year	28,07,095	12,09,916
Expected return on plan assets	2,08,567	90,865
Actuarial gain/(loss)	(69,273)	(8,580)
Actual company Contributions	10,54,185	15,43,971
Benefit paid	1,44,130	29,077
Plan assets at the end of the year	38,56,444	28,07,095

JAGARAN MICROFIN PRIVATE LIMITED
Notes forming part of the Financial Statements | (All amounts in ₹)

Note 28: Employee Benefits:

Particulars	March 31,2019	March 31,2018
Actuarial Assumptions		
Discount rate	7.72%	7.68%
Expected Return on plan assets	7.43%	7.51%
Rate of increase in compensation	6.00%	6.00%
Attrition rate	10 Per thousand p.a.	10 Per thousand p.a.
Retirement age	60 Years	60 Years
Mortality	Indian Assured Lives Mortality (IALM) (2006-08) Ultimate	Indian Assured Lives Mortality (IALM) (2006-08) Ultimate

The estimate of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Details of fund status-assets/(liabilities)

Particulars	March 31,2019	March 31,2018
Defined benefit obligation at end of the year	40,00,064	28,48,908
Plan assets at end of the year	38,56,444	28,07,095
Fund status-assets/(liabilities)	(1,43,620)	(41,813)

Note 29: Additional information to the financial statements
29.1: Asset classification and provisioning - Own Portfolio

The Company follows prudential norms of the Reserve Bank of India(RBI) with regard to classification in respect of all loans extended to its customers. Loans where the installments is not overdue for a period of ninety days is classified as Standard Assets requires no provisioning while installments which are overdue for a period of ninety days or more is treated as Non Performing Assets.

Non Performing Assets with Portfolio at Risk (PAR) 91-180 days require 50% provisioning while 100% provision is made for Non performing Assets with PAR >181 days as per the prudential norms. The minimum required provision is however 1% of the total loan portfolio of the Company.

The Company complies with prudential norms of the Reserve Bank of India(RBI) with regard to income recognition asset classification and provisioning. The Company is following provisioning norms as recommended vide RBI/DNBR.PD.007/03.10.119/2016-17 dated September 1, 2016 as amended

Classification of Loans and provisions made for Standard/sub standard assets are as given below:-

Classification	As at March 31, 2019	As at March 31, 2018
Standard assets	3,76,82,62,687	2,30,51,00,983
Non Performing assets	86,93,114	2,01,06,234
Total	3,77,69,55,801	2,32,52,07,217
Note: 12 Non -current -Receivable under financing activity - standard assets	30,40,00,001	11,41,11,221
Note: 12 Non -current -Receivable under financing activity- non performing assets	-	-
Note: 13 Current - Receivable under financing activity - standard assets	3,46,42,62,686	2,19,09,89,762
Note: 13 Current - Receivable under financing activity - non performing assets	86,93,114	2,01,06,234
Total	3,77,69,55,801	2,32,52,07,217

Provision	As at March 31, 2019	As at March 31, 2018
Standard assets	3,07,42,940	49,24,046
Non Performing assets	70,26,618	1,83,28,026
Total	3,77,69,558	2,32,52,072
Note: 5 Long term provision for standard assets	30,40,000	11,41,112
Note: 5 Long term provision for non performing assets	-	-
Note: 8 Short term provision for standard assets	2,77,02,940	37,82,933
Note: 8 Short term provision for non performing assets	70,26,618	1,83,28,027
Total	3,77,69,558	2,32,52,072

JAGARAN MICROFIN PRIVATE LIMITED
Notes forming part of the Financial Statements | (All amounts in ₹)

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

Capital to Risk Assets Ratio:		
Particulars	As at March 31, 2019	As at March 31, 2018
Tier I capital	80,70,79,016	73,36,15,483
Tier II capital	Nil	Nil
Total	80,70,79,016	73,36,15,483
Total risk weighted assets	4,29,85,91,954	2,66,85,06,435
Capital Ratios:		
Tier I capital as a percentage of total risk weighted assets (%)	18.78%	27.49%
Tier II capital as a percentage of total risk weighted assets (%)	Nil	Nil
Total capital (%)	18.78%	27.49%

JAGARAN MICROFIN PRIVATE LIMITED
Notes forming part of the Financial Statements | (All amounts in ₹)

Note 29 Additional information to the financial statements
29.3: 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, 2019.

29.4: Maturity pattern of assets and liabilities
Maturity pattern of certain items of assets and liabilities as at March 31, 2019

Particulars	Up to one Month	Over one Month to 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 4 Months	Over 4 Months upto 6 Months	Over 6 Months to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Liabilities:	14,78,93,419	14,70,50,482	17,55,24,002	15,63,34,748	34,28,03,229	87,27,49,651	1,23,30,64,912	58,35,66,683	-	3,65,89,87,126
Borrowings from banks and others	14,78,93,419	14,70,50,482	17,55,24,002	15,63,34,748	34,28,03,229	87,27,49,651	1,23,30,64,912	3,35,66,683	-	3,10,89,87,126
Market borrowings	-	-	-	-	-	-	-	55,00,00,000	-	55,00,00,000
Assets:	43,67,05,061	44,79,28,862	40,47,77,245	37,58,52,995	70,34,01,580	1,10,42,90,057	30,40,00,001	-	-	3,77,69,55,801
Advances	43,67,05,061	44,79,28,862	40,47,77,245	37,58,52,995	70,34,01,580	1,10,42,90,057	30,40,00,001	-	-	3,77,69,55,801
Investments	-	-	-	-	-	-	-	-	-	-

Maturity pattern of certain items of assets and liabilities as at March 31, 2018

Particulars	Up to one Month	Over one Month to 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 4 Months	Over 4 Months upto 6 Months	Over 6 Months to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Liabilities:	12,73,37,531	9,89,80,892	12,61,12,272	10,43,97,591	21,50,85,688	53,62,46,888	91,81,91,970	91,90,331	-	2,13,55,43,163
Borrowings from banks and others	12,73,37,531	9,89,80,892	12,61,12,272	10,43,97,591	21,50,85,688	53,62,46,888	91,81,91,970	91,90,331	-	2,13,55,43,163
Market borrowings	-	-	-	-	-	-	-	-	-	-
Assets:	30,76,87,289	29,47,89,850	27,59,02,917	23,03,71,006	44,15,38,438	66,08,06,496	11,41,11,221	-	-	2,32,52,07,217
Advances	30,76,87,289	29,47,89,850	27,59,02,917	23,03,71,006	44,15,38,438	66,08,06,496	11,41,11,221	-	-	2,32,52,07,217
Investments	-	-	-	-	-	-	-	-	-	-

Note:

- The above borrowing excludes interest accrued but not due .
- The above information has been considered as per the Asset Liability Management Report compiled by the Management and reviewed by the ALM Committee.

JAGARAN MICROFIN PRIVATE LIMITED
Notes forming part of the Financial Statements | (All amounts in ₹)
30. Disclosure of frauds reported during the year vide RBI/DNBS.PD.CC.No. 256/03.10.042/2011-12 dated March 02, 2012

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

Note:

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

Note 31. Disclosure as required under RBI Master Direction DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 as amended:

During the year the average interest on borrowings calculated on balances of average monthly outstanding borrowings is 15.04%
During the year the Company has charged an average interest rate of 22.73%, calculated on average monthly balances of outstanding loan portfolio.

JAGARAN MICROFIN PRIVATE LIMITED

Notes forming part of the Financial Statements | (All amounts in ₹)

Note 32 Additional information to the financial statements

Notes to the Balance Sheet of a non deposit taking Non Banking Financial Company as required under RBI's Master Direction DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 as amended.

Particulars	Amount Outstanding	Amount Overdue
Liabilities side:		
1) Loans & advances availed by the NBFC inclusive of accrued interest thereon but not paid		
(a) Debentures: Secured	58,01,08,551	Nil
Unsecured (Other than falling within the meaning of public deposits)	Nil	Nil
(b) Deferred credits	Nil	Nil
(c) Term loans	3,12,44,02,282	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 Outstanding	
Assets Side:		
3) Break-up of loans and advances including bills receivables [other than those included in (4) below]”		
(a) Secured	Nil	
(b) Unsecured	3,77,69,55,801	
4) Break up of leased assets and stock on hire and other assets counting towards AFC activities.		
(i) Lease assets including lease rentals under sundry debtors		
(a) Financial lease	Nil	
(b) Operating lease	Nil	
(ii) Stock on hire including hire charges under sundry debtors		
(a) Asset on hire	Nil	
(b) Repossessed assets	Nil	
(iii) Other loans counting towards AFC activities.		
(a) Loans where assets has been repossessed	Nil	
(b) Loans other than (a) above	Nil	
5) Break up of investments		
Current investments		
(A) Quoted:		
(i) Shares : (a) Equity	Nil	
(b) Preference	Nil	
(ii) Debentures and bonds	Nil	
(iii) Units of mutual funds	Nil	
(iv) Government securities	Nil	
(v) Others (please specify)	Nil	
(B) Unquoted:		
(i) Shares: (a) Equity	Nil	
(b) Preference	Nil	
(ii) Debentures and bonds	Nil	
(iii) Units of mutual funds	Nil	
(iv) Government securities	Nil	
(v) Others (please specify)	Nil	

JAGARAN MICROFIN PRIVATE LIMITED
Notes forming part of the Financial Statements | (All amounts in ₹)

Note 32 Additional information to the financial statements
Notes to the Balance Sheet of a non deposit taking Non Banking Financial Company as required under RBI's Master Direction DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 as amended.

Particulars		Amount Outstanding	
Long term investments			
(A) Quoted:			
(i) Shares: (a) Equity			Nil
(b) Preference			Nil
(ii) Debentures and bonds			Nil
(iii) Units of mutual funds			Nil
(iv) Government securities			Nil
(v) Others (please specify)			Nil
(B) Unquoted:			
(i) Shares : (a) Equity			Nil
(b) Preference			Nil
(ii) Debentures and bonds			Nil
(iii) Units of mutual funds			Nil
(iv) Government securities			Nil
(v) Others (please specify)			Nil
Category	Amount net of provisions		
	Secured	Unsecured	Total
6) Borrower group -wise classification of assets, financed (3) and (4) above:			
(i) Related parties			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
(ii) Other than related parties	Nil	3,73,91,86,243	3,73,91,86,243
Total	Nil	3,73,91,86,243	3,73,91,86,243
Particulars		Market value/Break-up on fair value or NAV	Book value
7) Investor group wise classification of all investments (Current and long term) in shares and securities (both quoted and unquoted category)			
(i) Related parties			
(a) Subsidiaries		Nil	Nil
(b) Companies in the same group		Nil	Nil
(c) Other related parties		Nil	Nil
(ii) Other than related parties		Nil	Nil

JAGARAN MICROFIN PRIVATE LIMITED
Notes forming part of the Financial Statements | (All amounts in ₹)

Note 32 Additional information to the financial statements
Notes to the Balance Sheet of a non deposit taking Non Banking Financial Company as required under RBI's Master Direction DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 as amended.
8) Other Information:

Particulars	Amount in Rupees
(i) Gross non-performing assets	
(a) Related parties	Nil
(b) Other than related parties	86,93,114
(ii) Net non performing assets	
(a) Related parties	Nil
(b) Other than related parties	16,66,496
(iii) Assets acquired in satisfaction of debt	Nil

Note 33: Segment Information

The Company has considered business segment as primary segment for disclosure. The Company is engaged in taking loans from banks and financial institutions and provide finance to members which in the context of Accounting Standard (AS) - 17 "Segment Reporting" is considered as the only business segment.

The Company finances within India. The market conditions in India being uniform, no separate geographical segment disclosure is considered necessary.

Note 34: Previous year's figure

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

For Deloitte Haskins & Sells

Chartered Accountants

Firm Registration No.: 302009E

Abhijit Bandyopadhyay

Partner

Place: Kolkata

Date : May 14, 2019

For and on behalf of the Board of Directors
Indrajit Gupta

Chairman

DIN - 00157123

Tirtha Pratim Sahu

Chief Financial Officer

Place: Kolkata

Date : May 14, 2019

Sourav Ghosh

Director

DIN - 08154243

Tanusree Ghosh

Company Secretary

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JAGARAN

Jagaran Microfin Private Limited

38, Hemanta Basu Sarani, Dalhousie, Kolkata-700001

e: info@jagaranmf.com | **w:** www.jagaranmf.com

p: 1800-3450-100