

## **INDEPENDENT AUDITOR’S REPORT**

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

#### **Opinion**

We have audited the accompanying financial statements of **Jagaran Microfin Private Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

#### **Emphasis of Matter**

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

Our report is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most



significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Expected credit losses (ECL) on loans</p> <p>(Refer Note 7 read with Note 27 to the financial statements)</p> <p>The management estimates impairment provision using Expected Credit loss (ECL) model for the loan exposure. Recognition and measurement of impairment of loans involve significant management judgement. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. The impairment loss provision also involves estimate of the potential impact of the COVID-19 pandemic which are dependent on future developments and which are highly uncertain. Collective impairment allowances are calculated using ECL model which approximate credit conditions on homogenous portfolios of loans.</p> <p>The RBI has also announced various relief measures for the borrowers which were implemented by the Company such as "COVID 19 Regulatory Package-Asset Classification and Provisioning" announced by the RBI on 17 April 2020 and RBI circular on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package" dated 07 April 2021 (collectively referred to as 'the RBI circulars'), and "Resolution Framework for COVID-19 related Stress" (the 'Resolution Framework') dated on 6 August 2020, which has also been considered by the management in identification, classification and provisioning of loan assets for impairment.</p> <p>Further, the disclosures made in the financial statements for ECL especially in relation to judgements and estimates by the Management in determination of</p>	<p>Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the financial statements were reasonable and the related disclosures in the financial statements made by the management were adequate.</p> <p>These procedures included, but not limited, to the following:</p> <p>(a) obtained an understanding of the model adopted by the Company for calculation of expected credit losses including how management calculated the expected credit losses and the appropriateness of the data on which the calculation is based;</p> <p>(b) Tested the key assumptions used by the Company in the ECL model. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records;</p> <p>(c) Tested samples for staging of loans based on their past - due status to check compliance with requirements of Ind AS 109;</p> <p>(d) Tested the arithmetical calculation of the workings of the expected credit losses;</p> <p>(e) Evaluated the appropriateness, in accordance with the applicable accounting standard and approved policies as per the RBI guidelines, of the determination of significant increase in credit risk on account of moratorium and restructuring benefit extended. On a test check basis, assessed that the restructuring was approved and implemented in accordance with such policy, and the provisions created on</p>



<p>the ECL involve increased level of audit focus.</p> <p>The aforesaid involves significant management estimates/ judgements and hence identified as Key Audit Matter (KAM).</p>	<p>such restructured loan assets were in compliance with the aforesaid guidelines;</p> <p>(f) Assessed disclosures included in the Ind AS financial statements in respect of expected credit losses including the specific disclosures made with regard to the management's evaluation of the uncertainties arising from COVID-19 and its impact on ECL estimation.</p>
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**Information Other than the Financial Statements and Auditor’s Report Thereon**

- The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Director’s report, but does not include the financial statements and our auditor’s report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management’s Responsibility for the Financial Statements**

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

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

Those Board of Directors are also responsible for overseeing the Company’s financial



reporting process.

**Auditor’s Responsibility for the Audit of the Financial Statements**

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

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

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

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



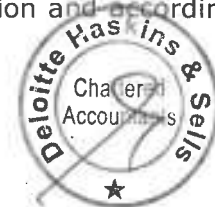
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, Section 197 of the Act related to the managerial remuneration is not applicable.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company does not have any pending litigations which would impact its financial position
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



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

Kolkata, September 10, 2021

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

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

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the based on our audit. We conducted our audit in accordance with the Guidance Note on Audit 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.

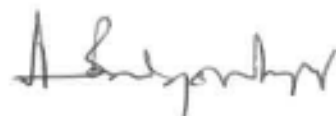
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



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

Kolkata, September 10, 2021



**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular program of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under the provisions of Sections 185 and 186 of the Companies Act, 2013 and hence reporting under Clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and it did not have any unclaimed deposits at the beginning of the year. Hence reporting under clause (v) of the Order is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- There are no dues of Income-tax, Sales Tax, Goods & Service Tax, Service Tax and Value Added Tax as on March 31, 2021 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial



institutions, banks and dues to debenture holders. The Company has not taken any loans or borrowings from government.

- (ix) The Company has not raised moneys by way of initial public offer during the year. In our opinion and according to the explanations given to us, money raised by way of further public offer of debt securities and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a private company and hence the provisions of Section 197 of the Companies Act, 2013 do not apply to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) The Company is a private company and hence the provisions of Section 177 and Section 188 of the Companies Act, 2013 are not applicable to the Company. In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

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



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

Kolkata, September 10, 2021

# JAGARAN MICROFIN PRIVATE LIMITED

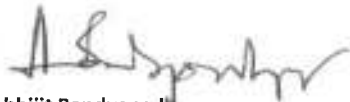
## BALANCE SHEET AS AT MARCH 31, 2021

(All amount in ₹, unless otherwise stated)

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

In terms of our attached report

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

  
Abhijit Bandyopadhyay  
Partner





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

  
Sourav Ghosh  
Managing Director  
DIN: 08154243

Jaydeep Ghosh  
Whole Time Director & CEO  
DIN: 07475085



  
Tirtha Pratim Sahu  
Chief Financial Officer

  
Tanusree Ghosh  
Company Secretary

Place: Kolkata  
Date: September 10, 2021

Place: Kolkata  
Date: September 10, 2021

# JAGARAN MICROFIN PRIVATE LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(All amount in ₹, unless otherwise stated)

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

In terms of our attached report

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

Abhijit Bandyopadhyay  
Partner



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

Sourav Ghosh  
Managing Director  
DIN: 08154243

Tirtha Pratim Sahu  
Chief Financial Officer

Jaydeep Ghosh  
Whole Time Director & CEO  
DIN: 07475085

Tanusree Ghosh  
Company Secretary

Place: Kolkata  
Date: September 10, 2021

Place: Kolkata  
Date: September 10, 2021

# JAGARAN MICROFIN PRIVATE LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(All amount in ₹, unless otherwise stated)

### (A) Equity

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

### (B) Other Equity

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

### Summary of Significant Accounting Policies

1

The accompanying notes are an integral part of these financial statements.

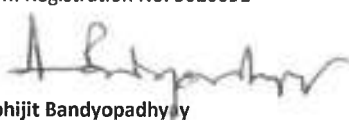
2 to 47

In terms of our attached report

For Deloitte Haskins & Sells

Chartered Accountants

Firm Registration No. 302009E



Abhijit Bandyopadhyay  
Partner



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




Sourav Ghosh  
Managing Director  
DIN: 08154243

Jaydeep Ghosh  
Whole Time Director & CEO  
DIN: 07475085



Tirtha Pratim Sahu  
Chief Financial Officer



Tanusree Ghosh  
Company Secretary



Place: Kolkata

Date: September 10, 2021

Place: Kolkata

Date: September 10, 2021

# JAGARAN MICROFIN PRIVATE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(All amount in ₹, unless otherwise stated)

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

### Additional notes to Cash Flow Statement:

- Figures in brackets indicate outflows.
- Previous year figures have been regrouped/restated wherever necessary

In terms of our report attached

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

Abhijit Bandyopadhyay  
Partner



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

*Sourav Ghosh*  
Sourav Ghosh  
Managing Director  
DIN: 08154243

*Jaydeep Ghosh*  
Jaydeep Ghosh  
Whole Time Director & CEO  
DIN: 07475085

*Tirtha Pratim Sahu*  
Tirtha Pratim Sahu  
Chief Financial Officer  
Place: Kolkata

*Tanusree Ghosh*  
Tanusree Ghosh  
Company Secretary

Place: Kolkata  
Date: September 10, 2021



Date: September 10, 2021



**JAGARAN MICROFIN PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2021**

**1. Corporate Information**

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

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

**2. Basis of Preparation**

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

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

**2.1. Presentation of Financial Statements**

The Company presents its balance sheet in order of liquidity.

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

**2.2. Critical Accounting Estimates and Judgements**

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

- Business model assessment (Refer Note no. 3.13)
- Effective interest rate (EIR) (Refer Note no. 3.1.1)
- Impairment of financial assets (Refer Note no. 3.14)
- Provisions (Refer Note no. 3.8)
- Contingent liabilities and assets (Refer Note no.3.9)
- Provision for tax expenses (Refer note no. 3.11)
- Residual value and useful life of property, plant and equipment (Refer Note no. 3.6.1)

**3. Summary of Significant Accounting Policies**

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



## JAGARAN MICROFIN PRIVATE LIMITED

### Notes to the financial statements for the year ended March 31, 2021

#### 3.1 Revenue Recognition

##### 3.1.1 Interest Income

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

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

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

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

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

#### 3.2 Finance Cost

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

#### 3.3 Cash and Cash Equivalents

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

#### 3.4 Property, Plant and Equipment ('PPE') Initial Recognition and Measurement:

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

#### 3.5 Intangible Assets

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

#### 3.6 Depreciation and amortization

##### 3.6.1 Depreciation

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

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





### **3.6.2 Amortization**

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

### **3.7 Impairment of Non-financial Assets**

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

### **3.8 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### **3.9 Contingent Liabilities and Assets**

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

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

### **3.10 Retirement and Other Employee Benefits**

#### **3.10.1 Defined Contribution Plan**

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

#### **3.10.2 Defined Benefit Plan**

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year. Gains or losses through remeasurements of net benefit liabilities/ assets are recognised with corresponding charge/credit to the retained earnings through other comprehensive income in the period in which they occur.

#### **3.10.3 Other Employee Benefits**

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



## JAGARAN MICROFIN PRIVATE LIMITED

### Notes to the financial statements for the year ended March 31, 2021

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

#### 3.11 Taxes

##### 3.11.1 Current Income Tax

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

##### 3.11.2 Deferred Tax

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

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

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

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

#### 3.12 Earning Per Share

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

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

#### 3.13 Financial Instruments

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



*[Handwritten signature]*

### **3.13.1 Financial Assets**

#### **3.13.1.1 Initial Recognition and Measurement**

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

#### **3.13.1.2 Classification and Subsequent Measurement**

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

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

#### **3.13.1.3 Loans at Amortised Costs**

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

(a) Such loan is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

#### **3.13.1.4 Investment in Mutual Funds at Amortised Cost**

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

### **3.13.2 Financial Liabilities**

#### **3.13.2.1 Initial Recognition and Measurement**

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

#### **3.13.2.2 Borrowings**

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

#### **3.13.3 Reclassification of Financial Assets and Liabilities**

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

#### **3.13.4 De-recognition of Financial Assets and Liabilities**

##### **3.13.4.1 De-recognition of Financial Assets**

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



## JAGARAN MICROFIN PRIVATE LIMITED

### Notes to the financial statements for the year ended March 31, 2021

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

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

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

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

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

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

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

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

#### 3.13.4.2 De-recognition of Financial Liabilities

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

#### 3.14 Impairment of Financial Assets

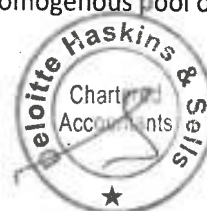
##### 3.14.1 Overview of the Expected Credit Loss (ECL) Allowance Principles

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

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

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

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





## JAGARAN MICROFIN PRIVATE LIMITED

### Notes to the financial statements for the year ended March 31, 2021

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

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

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

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

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

#### 3.14.2 The Calculation of ECL

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

ECL consists of three key components: Probability of Default (PD), Exposure at Default (EAD) and Loss given default (LGD). ECL is calculated by multiplying them. Refer Note 37 for explanation of the relevant terms.

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

The mechanics of the ECL method are summarised below:

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

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

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

#### 3.15 Write-offs

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

#### 3.16 Fair Value Measurement

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



## JAGARAN MICROFIN PRIVATE LIMITED

### Notes to the financial statements for the year ended March 31, 2021

#### 3.17 Segment Information

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

#### 3.18 Foreign Currency

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

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

#### 3.19 Leases (where the Company is the lessee)

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



4 Cash and Cash Equivalents

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

5 Bank Balances Other than Cash and Cash Equivalents

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

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

6 Receivables

Trade Receivables\*

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

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

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

Particulars	As at March 31, 2021		
	Gross Carrying Amount	Allowance for Credit Loss	Net Carrying Amount
Overdue till Three Months	1,46,231	-	1,46,231
Overdue between Three to Six Months	-	-	-
Overdue between Six Months to One year	-	-	-
More than 1 year overdue	-	-	-
	<b>1,46,231</b>	<b>-</b>	<b>1,46,231</b>

Particulars	As at March 31, 2020		
	Gross Carrying Amount	Allowance for Credit Loss	Net Carrying Amount
Overdue till Three Months	1,15,302	-	1,15,302
Overdue between Three to Six Months	-	-	-
Overdue between Six Months to One year	-	-	-
More than 1 year overdue	-	-	-
	<b>1,15,302</b>	<b>-</b>	<b>1,15,302</b>

7 Loans

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

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

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

8 Investments

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

9 Other Financial Assets

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

\* Term deposits are under lien against borrowings.



10 Current Tax Assets (Net)

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

11 Deferred Tax Assets (Net)

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

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

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

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

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

Note:

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

11.2 Current Tax and Deferred Tax

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

Other Comprehensive Income

Particulars	As at March 31, 2021	As at March 31, 2020
Other Comprehensive Income	1,86,886	4,86,375
	<b>(1,86,886)</b>	<b>4,86,375</b>

Reconciliation of Book Profit and Tax Expense

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

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





12 Property, Plant and Equipment

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

13 Other Intangible Assets

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

14 Other Non-Financial Assets

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



**15 Payables****(i) Trade Payables**

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

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

**16 Debt Securities**

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

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

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

**17.1 Borrowings (other than Debt Securities)**

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

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



**JAGARAN MICROFIN PRIVATE LIMITED**  
Notes forming part of the Financial Statements  
(All amount in ₹, unless otherwise stated)

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

Particulars	Details of Security	Terms of repayment	Rate of Interest as at March 31, 2021	As at 31st march 2021		As at March 31, 2020	
				Instalment due (Range)	Total	Instalment due (Range)	Total
<b>Term loans from Banks:</b>							
IDBI Bank	Hypothecation of Book Debt, Term deposit & Corporate Guarantee of GTFS Multi Services Limited (GTFSMSL)	Monthly	11.95	9	1,98,02,306	16	5,28,40,214
Punjab & Sind Bank	Hypothecation of Book Debt, Cash Mar in, Cor orate Guarantee of GTFSMSL	Monthly	10.9	1	4,15,758	9	1,51,35,336
Vijaya Bank	Hypothecation of Book Debt, Cash Mar in, Cor orate Guarantee of GTFSMSL	Monthly	12	-	-	3	1,68,49,437
Syndicate Bank	Hypothecation of Book Debt, Cash Mar in, Cor orate Guarantee of GTFSMSL	Quarterly	11.95	-	-	1	1,11,56,698
UCO Bank	Hypothecation of Book Debt, Term de osit & Cor orate Guarantee of GTFSMSL	EMI	10.60-11.75	3-26	9,07,37,911	3-33	13,65,63,198
Bank Of Baroda	Hypothecation of Book Debt, Term de osit & Cor orate Guarantee of GTFSMSL	Quarterly	10.45	-	-	4	2,00,10,832
Bank Of Maharashtra	Hypothecation of Book Debt, Term de osit & Cor orate Guarantee of GTFSMSL	Monthly	11.4	5	1,40,98,723	12	3,34,25,062
State Bank of India	Hypothecation of Book Debt, Term de osit & Cor orate Guarantee of GTFSMSL	EMI	13	-	-	3	1,42,28,308
ICICI Bank	Hypothecation of Book Debt, Cash Mar in, Cor orate Guarantee of GTFSMSL	Monthly	10.50-11.05	39	30,76,89,359	21-32	42,25,65,223
ESAF Small Finance Bank	Hypothecation of Book Debt, Cash Mar in, Cor orate Guarantee of GTFSMSL	Monthly	13.5	-	-	10	8,20,73,393
IDFC Bank	Hypothecation of Book Debt, Cor orate Guarantee of GTFSMSL	Monthly	13.4	5	2,34,32,506	10	5,33,24,434
Allahabad Bank	Hypothecation of Book Debt, Cor orate Guarantee of GTFSMSL	Quarterly & Monthly	14.00-14.50	45	17,52,75,558	20-24	22,35,25,013
Ujivan Small Finance Bank	Hypothecation of Book Debt, Cor orate Guarantee of GTFSMSL	Quarterly & Monthly	10.45	3	5,62,68,914	5	9,35,38,429
Canara Bank	Hypothecation of Book Debt, Cor orate Guarantee of GTFSMSL	Monthly	12.5	5	3,09,71,140	15	9,37,57,495
Oriental Bank Of Commerce	Hypothecation of Book Debt, Cor orate Guarantee of GTFSMSL	Monthly	12.5	28	3,92,62,124	35	4,85,94,282
Indian Bank	Hypothecation of Book Debt, Cor orate Guarantee of GTFSMSL	Monthly	10.8	42	13,11,15,861	48	15,05,38,136
Micro Units Development & Refinance Agency Ltd.	Hypothecation of Book Debt, Cor orate Guarantee of GTFSMSL	Monthly	12	24	8,19,81,489	30	9,97,79,468
Small Industries Development Bank of India	Hypothecation of Book Debt, Corporate Guarantee of GTFSMSL, PG	Monthly	5.83	21	15,76,52,045	-	-
National Bank for Agriculture and Rural Development	Hypothecation of Book Debt, Cor orate Guarantee of GTFSMSL, PG	Monthly	6.97	1	5,70,22,991	-	-
<b>Total - Term loans from Banks (A)</b>		Yearly	7.05	2	25,02,89,726	-	-
<b>Term loans from NBFCs:</b>							
Ananya Finance for Inclusive Growth (P) Limited	Hypothecation of Book Debt, Mar in	Monthly	15	10	2,63,03,177	22	7,09,14,354
Mannaveeya Development & Finance Limited	Hypothecation of Book Debt, Cash Mar in	Monthly	14.25-17	14	8,57,43,100	16-18	20,38,13,160
Nabsamrudhii Financial Limited	Hypothecation of Book Debt, Cor orate Guarantee of GTFSMSL, Fixed De osit	Quarterly	13.5-14.00	7	6,71,47,051	1-8	14,51,17,288
Nabard Financial Services Limited	Hypothecation of Book Debt, Fixed De osit	Monthly	14	-	-	7	1,95,41,591
Jain Sons Finlease Limited	Hypothecation of Book Debt, Fixed De osit	EMI	16	1	95,93,676	13	3,75,17,648
Electronica Finance Limited	Hypothecation of Book Debt, De osit	EMI	13.75-14.50	8	1,46,21,512	4-18	3,65,79,728
InCred Financial Services Private Limited	Hypothecation of Book Debt	EMI	13.75-14.75	9-24	6,11,01,269	4-19	9,18,78,726
Profectus Capital Services Limited	Hypothecation of Book Debt, Fixed De osit	EMI	14.5	-	-	4	1,74,69,304
MAS Financial Services Limited	Hypothecation of Book Debt, Fixed De osit	Monthly	13.90-14.75	3-18	37,33,69,347	4-24	94,33,98,298
Hinduja Leyland Finance Limited	Hypothecation of Book Debt, De osit and Comfort Letter of GTFSMSL	EMI	13.75-14.00	7-8	9,35,12,591	10-18	22,40,20,481
Habitat Microbuild India Housing Finance Company Pvt. Ltd.	Hypothecation of Book Debt, Comfort Letter of GTFSMSL	EMI	14.50-14.75	14-34	4,70,29,425	24-38	6,38,32,916
TATA Capital Financial Services Limited	Hypothecation of Book Debt, Fixed De osit and Cor orate Guarantee of GTFSMSL	Quarterly	11.5	-	-	1	87,76,662
NABKISAN Finance Limited	Hypothecation of Book Debt, Fixed De osit, Comfort Letter of GTFSMSL	Quarterly	14.25	5-10	11,16,51,836	9	11,02,13,421
Satin Creditcare Network Limited	Hypothecation of Book Debt, De osit	EMI	15	-	-	7	2,89,34,943
Satin Finserv Limited	Hypothecation of Book Debt, De osit	EMI	15	-	-	7	1,27,81,318
Arohan Financial Services Limited	Hypothecation of Book Debt, De osit	EMI	14.75	2	46,88,237	12	2,65,48,965
Western Capital Advisory Services Limited	Hypothecation of Book Debt	Monthly	14.75	2-16	4,86,91,672	12	2,70,93,497
Shine Star Build Cap	Hypothecation of Book Debt, Fixed De osit and Cor orate Guarantee of GTFSMSL	Monthly	14.75	2	1,42,88,198	14	9,29,41,651
Saidham Merchantile Pvt. Ltd.	Hypothecation of Book Debt, Cash Mar in	Monthly	15	4	1,41,65,697	14	4,65,64,271
Eclear Leasing and Financing Ltd	Hypothecation of Book Debt, Cash Mar in	Monthly	14.75	10	2,24,81,345	20	4,23,60,766
Hero FinCorp	Hypothecation of Book Debt, Cash Mar in	Monthly	14.75	1	74,468	11	3,19,45,332
<b>Total - Term loans from NBFCs (B)</b>		<b>Total</b>			<b>99,44,62,600</b>		<b>2,28,22,44,319</b>
<b>Total (A+B)</b>					<b>2,43,04,77,011</b>		<b>3,85,01,49,275</b>



**JAGARAN MICROFIN PRIVATE LIMITED****Notes to the Financial Statements for the Year ended March 31, 2021**

(All amount in ₹ ,unless otherwise stated)

**17.2 Subordinated Liabilities**

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

\*During the year ended 31 March 2021, the company has raised ₹NIL (Previous Year ₹500 lakhs as Subordinated Debt having a tenure of 72 months and carries rate of interest at 17.00% and are repayable in two equal instalments at end of 5.5 years and 6 years from the date of disbursement)

**18 Current Tax Liabilities (Net)**

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

**19 Provisions**

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

**20 Other Non-financial Liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Dues Payable	18,05,028	62,22,851
	<b>18,05,028</b>	<b>62,22,851</b>





21 Equity Share Capital

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

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

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

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

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

(c) Terms/ Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10 per Share. Such holder of Equity Share is entitled to one vote per Share. In the event of liquidation, the Equity Shareholders are entitled to receive the remaining Assets of the Company after distribution of all Preferential amounts, in proportion to their shareholdings. However, no such preferential amounts exists currently.

22 Other Equity

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

Nature and Purpose of Reserves:

i) Securities Premium

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

ii) Statutory Reserve

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

iii) Retained Earnings

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



**JAGARAN MICROFIN PRIVATE LIMITED**

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

(All amount in ₹, unless otherwise stated)

**23 Interest Income**

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

**24 Dividend Income**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend Income	88,995	51,34,094
	<b>88,995</b>	<b>51,34,094</b>

**25 Other Income**

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

\* Includes bad debt recovery for FY 2020-21: ₹1,97,288/- (Previous Year: ₹11,06,072/-) and Liability written Back for FY 2020-21: ₹ 14,744/-, (Previous Year: ₹ 596/-).

**26 Finance Costs**

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

**27 Impairment on Financial Instruments**

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

**28 Employee Benefits Expenses**

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



**JAGARAN MICROFIN PRIVATE LIMITED****Notes to the Financial Statements for the Year ended March 31, 2021**

(All amount in ₹, unless otherwise stated)

**29 Depreciation and Amortisation Expenses**

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

**30 Other Expenses**

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



**JAGARAN MICROFIN PRIVATE LIMITED****Notes to the Financial Statements for the Year ended March 31, 2021**

(All amount in ₹, unless otherwise stated)

**31: Additional Information to the Financial Statements****31.1: Contingent Liabilities and Commitments (to the extent not provided for)**

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

**31.2: Disclosures Required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

The amount due to the Micro and Small Enterprise as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of the information available with the Company. The disclosure relating to the Micro and Small Enterprise as at March 31, 2021 are as under:

Description	Year ended March 31, 2021	Year ended March 31, 2020
a. The Principal Amount remaining unpaid to Supplier as at end of the year	-	-
b. Interest Due as on remaining unpaid to Supplier as at the end of the year	-	-
c. Amount of Interest Due and Payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding Interest specified under the Act	-	-
d. Amount of Interest accrued and remaining unpaid as at end of the year	-	-
e. The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-





**JAGARAN MICROFIN PRIVATE LIMITED**
**Notes to the Financial Statements for the Year ended March 31, 2021**

(All amount in ₹, unless otherwise stated)

**32: List of Related Parties and Relationship**

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

**Transaction with Related Parties**

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

# previous year's numbers are disclosed in bracket



**JAGARAN MICROFIN PRIVATE LIMITED**
**Notes to the Financial Statements for the Year ended March 31, 2021**

(All amount in ₹, unless otherwise stated)

**32: List of Related Parties and Relationship (Continued)**
**Balance Outstanding Payable as at March 31, 2021**

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

# previous year's numbers are disclosed in bracket

**33: Earnings Per Share**

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

**34 : Corporate Social Responsibility (CSR) Expenditure**

In accordance to Section 135 of Companies Act 2013, the Company has incurred ₹ 44,03,526/- (Previous year: ₹62,78,946) as CSR expenditure. Under the CSR activities, the Company has arranged free skill development training for women, free medical camp, free primary school training, financial literacy programme, merit scholarship, free coaching center and other social security programmes. Out of the above expenditure, ₹2,31,171/- (Previous year: ₹32,36,191) has been donated by the Company to the Prime Minister's National Relief Fund (PMNRF) on account of the unspent balances for the previous years.

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	44,03,526	-	44,03,526

**35 : Operating Lease - As a Lessee**

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



**36. Defined Benefit Plan**

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

**36.1 Reconciliation of Net Defined Benefit Liability**

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

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

**36.2 Expense Recognised in Profit or Loss**

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

**36.3 Income Recognised in Profit or Loss**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income	-	-
<b>Net Gratuity Income</b>	<b>-</b>	<b>-</b>

**36.4 Re-measurement Recognised in Other Comprehensive Income**

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

**36.5 Plan Assets**

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

**36.6 Defined Benefit Obligation - Actuarial Assumptions**

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



**36.7 Sensitivity Analysis**

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

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

**36.8 Table Showing Cash Flow Information**

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

**36.9 Table Showing Maturity Analysis of the Defined Benefit Plan**

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

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

**36.11. Code on Social Security**

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





**37: Risk Management and Impairment Allowance**

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

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

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

**37.1 Credit Risk**

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

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

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

**A) Probability of Default (PD)**

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

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

**B) Exposure at Default (EAD)**

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

**C) Loss Given Default**

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

**37.2 Market Risk**

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

**37.2a Interest Rate Risk**

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

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

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

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

**37.2b Price Risk**

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

**37.3 Liquidity Risk**

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

The table in Note No. 40.8 provide details regarding the contractual maturities of significant financial assets and liabilities as at year end.



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**Notes to the Financial Statements for the Year ended March 31, 2021**  
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**38. Maturity Analysis of Assets and Liabilities**

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

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

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

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



**JAGARAN MICROFIN PRIVATE LIMITED****Notes to the Financial Statements for the Year ended March 31, 2021**

(All amount in ₹, unless otherwise stated)

**39. Financial Instruments and Related Disclosures**

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

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

**A) Categories of Financial Instruments**

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

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

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

**Loans Measured at Amortised Cost**

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

**Other Financial Assets Measured at Amortised Cost**

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

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

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

**Other Financial Liabilities Measured at Amortised Cost**

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



**39. Financial Instruments and Related Disclosures (continued)**

**B. Fair Value Hierarchy**

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

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

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

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

**Fair Value Hierarchy of Financial Assets and Financial Liabilities:**

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

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

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

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





**(i) Income Approach.**

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

**(ii) Quoted Prices.**

Quoted bid prices of an active market was used.

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

**Reconciliation of Level 3 Fair Value Measurements**

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

**C. Transfers of Financial Assets**

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

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

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

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



**JAGARAN MICROFIN PRIVATE LIMITED****Notes to the Financial Statements for the Year ended March 31, 2021**

(All amount in ₹, unless otherwise stated)

**40: RBI Disclosures****40.1 Disclosure as required under RBI Master Direction DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 (as amended) :****Capital to Risk Assets Ratio**

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

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

**40.2 Investments**

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

**40.3 Ratings**

Particulars	Rating Agency	Ratings	Date	Valid upto	Amount
Term Borrowings from Banks and Sub Debt	Acuite	BBB+	11-01-2021	18-06-2021	400.00 Crore
Non Convertible Debentures	ICRA	BBB-	29-10-2018	28-10-2022	55.00 Crore
Non Convertible Debentures	ICRA	BBB-	23-12-2019	23-12-2024	22.00 Crore

40.4 The Company has no exposure to Capital Market (apart from indirect exposure through Investments in Mutual Funds as disclosed above) or has not issued any Gold Loans.

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

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

**40.6 Other Disclosures**

- The Company, during the current year and previous year, has no exposure in derivatives.
- It has also not transferred any loans through securitization nor has purchased or sold any non-performing financial assets during the said periods.
- The Company has not engaged in financing of any holding company products. During the year, no Single Borrower Limit (SGL) / Group Borrower Limit (GBL) was exceeded by the Company.
- The Company is not registered with any from other financial sector regulators.
- During the Current and Previous Years, no penalties were imposed by the RBI and other regulators.
- There were no Draw Down from Reserves, Concentration of Deposits, Advances, Exposures and NPAs during the current and previous years.



**40.7 Maturity Pattern of Assets and Liabilities**  
Maturity pattern of certain items of assets and liabilities as at March 31, 2021

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

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

**Maturity Pattern of Certain Items of Assets and Liabilities as at March 31, 2020**

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

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

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

A) Person Involved	Less than Rs. 1 lakh		Rs. 1 lakh to Rs.5 lakh		Rs. 5 lakh to Rs.25 lakh		Total	
	No. of Accounts	Value Rs. In Lakh	No. of Accounts	Value Rs. In Lakh	No. of Accounts	Value Rs. In Lakh	No. of Accounts	Value Rs. In Lakh
Staff	-	-	-	-	-	-	-	-
Customer	-	-	-	-	-	-	-	-
Staff & Customer	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-

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



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(All amount in ₹, unless otherwise stated)

**40.9 Movement of Loan and Estimated Credit Loss (ECL)**

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

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

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

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





40.9 Movement of Loan and Estimated Credit Loss (ECL) (Continued)

Comparison between Provisions required under IRACP and Impairment Allowances made under Ind AS 109:

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions as required as per IRACP norms*	Differences between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
<b>Performing Assets</b>						
Standard	Stage 1	1,65,57,18,820	43,23,114	1,65,13,95,706	-	43,23,113,62
	Stage 2	1,65,15,11,883	16,51,51,188	1,48,63,60,695	-	16,51,51,188
Subtotal		3,30,72,30,703	16,94,74,302	3,13,77,56,401	-	16,94,74,302
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage 3	26,87,34,813	20,35,65,393	6,51,69,420	7,58,92,039	12,76,73,354
Subtotal		26,87,34,813	20,35,65,393	6,51,69,420	7,58,92,039	12,76,73,354
Other items such as guarantees, loan commitments etc. which are in the scope of IndAS 109 but not covered under Income Recognition, Asset Classification and Provisioning Norms (IRACP)	NA			NA		
Subtotal						
<b>Total</b>	<b>Stage 1</b>	<b>1,65,57,18,820</b>	<b>43,23,114</b>	<b>1,65,13,95,706</b>	<b>-</b>	<b>43,23,114</b>
	<b>Stage 2</b>	<b>1,65,15,11,883</b>	<b>16,51,51,188</b>	<b>1,48,63,60,695</b>	<b>-</b>	<b>16,51,51,188</b>
	<b>Stage 3</b>	<b>26,87,34,813</b>	<b>20,35,65,393</b>	<b>6,51,69,420</b>	<b>7,58,92,039</b>	<b>12,76,73,354</b>

\* As per IRAC norms, the aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of a) 1% of the outstanding loan portfolio or b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

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

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

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

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

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

Note: Amount represents principal outstanding only.

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

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

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

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

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

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

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

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

Note: EBID (i.e. profit after tax + Depreciation + Interest on debt + Lease rentals) as on 31st March, 2021 is ₹54,85,25,130/-





43: Additional information to the financial statements

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

Particulars	Amount Outstanding	Amount Overdue
<b>Liabilities side:</b>		
<b>1) Loans &amp; advances availed by the NBFC inclusive of accrued interest thereon but not paid</b>		
(a) Debentures: Secured	63,09,51,935	Nil
Unsecured	Nil	Nil
(Other than falling within the meaning of public deposits)		
(b) Deferred credits	Nil	Nil
(c) Term loans	2,48,05,22,092	Nil
(d) Inter-corporate loans and borrowings	Nil	Nil
(e) Commercial papers	Nil	Nil
(f) Public deposits	Nil	Nil
(g) Other loans (specify nature)	Nil	Nil
<b>2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
(a) In the form of unsecured debentures	Nil	Nil
(b) In the form of partly secured debentures i.e. debenture where there is a shortfall in the value of security	Nil	Nil
(c) Other public deposits	Nil	Nil
<b>Assets Side:</b>		
<b>3) Break-up of loans and advances including bills receivables[other than those included in (4) below]</b>		
(a) Secured	Nil	
(b) Unsecured	3,20,29,25,821	
<b>4) Break up of leased assets and stock on hire and other assets counting towards AFC activities.</b>		
(i) Lease assets including lease rentals under sundry debtors		
(a) Financial lease	Nil	
(b) Operating lease	Nil	
(ii) Stock on hire including hire charges under sundry debtors		
(a) Asset on hire	Nil	
(b) Repossessed assets	Nil	
(iii) Other loans counting towards AFC activities.		
(a) Loans where assets has been repossessed	Nil	
(b) Loans other than (a) above	Nil	
<b>5) Break up of investments</b>		
<b>Current investments</b>	<b>Amount outstanding</b>	
(A) Quoted:		
(i) Shares : (a) Equity	Nil	
(b) Preference	Nil	
(ii) Debentures and bonds	Nil	
(iii) Units of mutual funds	-	
(iv) Government securities	Nil	
(v) Others (please specify)	Nil	
(B) Unquoted:		
(i) Shares: (a) Equity	Nil	
(b) Preference	Nil	
(ii) Debentures and bonds	Nil	
(iii) Units of mutual funds	Nil	
(iv) Government securities	Nil	
(v) Others (please specify)	Nil	
<b>Long term investments</b>	<b>Amount outstanding</b>	
(A) Quoted:		
(i) Shares: (a) Equity	Nil	
(b) Preference	Nil	
(ii) Debentures and bonds	Nil	
(iii) Units of mutual funds	Nil	
(iv) Government securities	Nil	
(v) Others (please specify)	Nil	
(B) Unquoted:		
(i) Shares : (a) Equity	Nil	
(b) Preference	Nil	
(ii) Debentures and bonds	Nil	
(iii) Units of mutual funds	Nil	
(iv) Government securities	Nil	
(v) Others (please specify)	Nil	



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

Category	Amount net of provisions		
	Secured	Unsecured	Total
(i) Related parties	Nil	Nil	Nil
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
(ii) Other than related parties	Nil	3,20,29,25,821	3,20,29,25,821
<b>Total</b>	<b>Nil</b>	<b>3,20,29,25,821</b>	<b>3,20,29,25,821</b>

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

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

8) Other Information:

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

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

44: Segment Information

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

45: Impact of COVID-19 Pandemic

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

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

46: Previous Year's Figures

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

47: Adoption In Board Meeting

This Financial Statements together with the Accounting Policies and Notes have been adopted in the Meeting of the Board dated September 10, 2021.

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

Abhijit Bandhyopadhyay  
Partner



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

*Sourav Ghosh*

Sourav Ghosh  
Managing Director  
DIN: 08154243

*Tirtha Pratim Sahu*

Tirtha Pratim Sahu  
Chief Financial Officer

*Jaydeep Ghosh*

Jaydeep Ghosh  
Whole Time Director & CEO  
DIN: 07475085

*Tanusree Ghosh*

Tanusree Ghosh  
Company Secretary

Place: Kolkata  
Date: September 10, 2021

Place: Kolkata  
Date: September 10, 2021