

INDEPENDENT AUDITORS' REPORT

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

OPINION

We have audited the accompanying financial statements of Jagaran Microfin Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "the Financial Statements").

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

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

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
1.	The management estimates impairment provision using ECL model for the loan exposure. Recognition and measurement of impairment of loans involve significant management judgement. The Company's impairment allowance is derived from estimates including the historical defaults and expected recovery against outstanding amounts. The impairment loss provision also involves estimate of the potential impact of the COVID-19 pandemic which are dependent on future developments and which are highly uncertain.	Our Audit procedures based on which we arrived at the conclusion regarding reasonableness: <ul style="list-style-type: none"> Obtaining an understanding of the model adopted by the Company for calculation of expected credit losses and the appropriateness of the data on which the calculation is based; Tested the key assumptions used by the Company in the ECL Model. Tested the input data used for determining the Probability of Default (PD) and Loss Given Default (LGD) rates and agreed the data with the books of accounts and records.



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

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

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

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

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



AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time;
 - e) On the basis of the written representations received from the Directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal control with reference to the financial statements of the Company.
3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended from time to time), in our opinion and to the best of our information and according to the explanations given to us:
- i. Pending litigations (other than those already recognized in the financial statements) having material impact on the financial position of the Company have been disclosed in the financial statements as required in terms of accounting standards and provisions of the Act— refer note no. 32.1 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a. The Company receive the fund and advance as loan the same as part of its normal business activity and as such has represented that, to the best of its knowledge and belief as disclosed in note no. 39C to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like or behalf of the Ultimate Beneficiaries.
 - b. The management has represented that, to the best of its knowledge and belief as disclosed in note no. 39C to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



- v. The Company has neither declared nor paid any dividend during the financial year.
4. With respect to the reporting under section 197(16) of the Act to be included in the Auditors' Report, in our opinion and according to the information and explanations given to us, the remuneration (including sitting fees) paid by the Company to its Directors during the current financial year is in accordance with the provisions of section 197 of the Act and is not in excess of the limit laid down therein.



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

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

BOMAN R PARAKH
(PARTNER)

MEMBERSHIP NO. 053400
UDIN: 22053400AJZZE5826

PLACE: Kolkata
DATE: May 21, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

- i. In respect of the Company's property, plant and equipment and intangible assets
 - a. A. The Company has maintained proper records showing full particulars, including quantitative details and situations of its property, plant and equipment.
 - B. The Company has maintained proper records showing full particulars of intangible assets.
 - b. During the year, property, plant and equipment have been physically verified by the management according to a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us and based on the verification of the physical verification reports, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and based on our examination of the relevant records of the Company, the company does not hold any immovable properties in the nature of free hold or lease hold land and building thus the provisions of clause 3(i)(c) is not applicable.
 - d. The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year. Accordingly, reporting under paragraph 3(i)(d) of the Order is not applicable.
 - e. According to the information and explanations given to us and as represented by the management, no proceedings have been initiated during the year or are pending against the Company as at the 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, as amended from time to time. Accordingly, reporting under paragraph 3(i)(e) of the order is not applicable.
- ii. According to the information and explanations given to us and based on our examination of the books of account of the Company:
 - a. The company is a Non-Banking Financial Company, primarily engaged in the business of lending and does not hold any inventories. Accordingly, the provisions of clause 3 (ii) (a) is not applicable.
 - b. During any point of time of the year, the Company has not been sanctioned any working capital limits from bank or financial institutions on the basis of security of current assets and hence the provisions of clause 3 (ii)(b) is not applicable.
- iii. a. According to the information and explanation given to us and based on our examination of the books of account of the Company, the principal business of the Company is to grant loan and accordingly clause 3 (iii) (a) is not applicable.
- b. The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of Reserve Bank of India Act, 1934 (hereinafter referred to as 'RBI Act'). In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of all loans provided during the year are, prima facie, not prejudicial to the Company's interest. The Company has not made any investment nor has provided any guarantee nor has given any security during the year.
- c. The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act and rules made thereunder, in pursuance of its compliance with provisions of the said Act/ Rules, particularly in respect of, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers. In our opinion and according to the information and explanations given to us, in respect of loans, the terms of repayment of principal and payment of interest has been stipulated and in certain cases repayment of principal and payment of interest has not been made in accordance with such stipulation. Refer notes 40.8 to the financial statements for summarized details of such loans and categorization thereof based on record of recovery.
- d. The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act and rules made thereunder, in pursuance of its compliance with provisions of the said Act/ Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and reports total amount overdue including principal and/ or payment of interest by its customers for more than 90 days. The following table shows the details of principal and interest amount overdue for more than 90 days. According to the information and explanation made available to us, reasonable steps have been taken by the Company for the recovery thereof.



(Amount Rs. In Lakhs)

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

- e. According to the information and explanation given to us and based on our examination of the books of account of the Company, the principal business of the Company is to grant loan and accordingly clause 3 (iii) (e) is not applicable.
- f. According to the information and explanation given to us and based on our examination of the books of account, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186(1) of the Act, the other provisions of Section 186 of the Act is not applicable to the Company. According to the information and explanation given to us and based on our examination of the books of account, the company has not granted any loan to directors or to parties wherein directors are interested and accordingly provisions of section 185 is not applicable to the company.
- v. According to the information and explanation given to us and based on our examination of the books of account, the Company being a non-banking financial company registered with the Reserve Bank of India (RBI), the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company. According to the information and explanation given to us and based on our examination of the books of account, the Company has not accepted any deposits during the year nor anything was outstanding the provisions of clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for the business activities carried out by the Company. Accordingly, the provision of clause 3 (vi) of the Order is not applicable to the Company.
- vii. According to the information and explanations given to us and based on our examination of the books of account:
- During the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable to it. There are no undisputed amounts in respect of provident fund, employees' state insurance, income tax, goods and service tax, duty of customs, cess and any other material statutory dues, in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
 - There are no amount outstanding that have not been deposited in respect of statutory dues referred to is sub-clause (a) on account of any disputes as at March 31, 2022 and hence sub-clause (b) is not applicable to the Company.
- viii. In our opinion and on the basis of information and explanations given to us and as represented by the management, we have neither come across nor have been informed of transactions which were previously not recorded in books of account and that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 and accordingly reporting under paragraph 3 (viii) of the Order is not applicable.
- ix. In our opinion and on the basis of information and explanations given to us and based on our examination of the books of account of the Company:
- During the year, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.
 - The Company has not been declared wilful defaulter by any bank or financial institution or any other lenders.
 - The Company has utilized the money obtained by way of term loans from bank during the year for the purpose for which they were obtained, other than temporary parking in Current Account for a few days at the end of the year, pending utilization towards purpose for which the same are obtained.



- d. There were no funds raised by the Company on short term basis during the financial year.
- e. The Company does not have any Subsidiary, Associate or Joint Venture and accordingly reporting under paragraph 3(ix) (e) & (f) are not applicable.
- x. According to the information and explanations given to us and based on our examination of the books of account of the Company, we report that:
- a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under paragraph 3(x)(a) of the Order is not applicable.
- b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally) during the year and accordingly, reporting under paragraph 3(x)(b) of the Order is not applicable.
- xi. a. During the course of our examination of books and records of the Company carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have been informed of any such cases by the management; and
- b. No report under sub-section (12) of section 143 of the Act, has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended from time to time) with the Central Government, during the year and up to the date of this report.
- c. According to the information and explanation given to us and based on our examination of the books of account of the company, no whistle blower complaints have been received during the year by the company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the Nidhi Rules, 2014 is not applicable to it, hence, the reporting under paragraph 3(xii) (a, b, & c) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with provisions of sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. a. In our opinion and according to the information and explanations given to us the company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
- xv. According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them and hence, reporting under paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us and based on our examination of the books and records of the Company:
- a. The Company is required to be registered under Section 45-IA of the RBI Act and the Company has obtained the required registration.
- b. The Company has not conducted any non-banking financial or housing finance activities without obtaining a valid Certificate of Registration (CoR) from the RBI as per the RBI Act.
- c. The Company is not a Core Investment Company (hereinafter referred to as "CIC") as defined in the Core Investment Companies (Directions), 2016, as amended from time to time, issued by the Reserve Bank of India and hence, reporting under paragraph 3(xvi)(c) of the Order is not applicable.
- d. There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, reporting under paragraph 3(xvi)(d) of the Order is not applicable.



- xvii. Based on the examination of the books of accounts we report that the Company has not incurred cash losses in the current financial year covered by our audit or in the immediately preceding financial year.
- xviii. During the year, Deloitte Haskins & Sells the Statutory Auditors of the Company have resigned with effect from October 07, 2021 in order to comply with the requirements as prescribed in this respect in term of the RBI circular dated April 27, 2021. According to the information and explanations given to us, there have been no issues, objections or concerns raised by the said outgoing auditors of the Company.
- xix. According to the information and explanations given to us and based on the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, read with details provided in note no. 38 to the financial statements detailing the maturity analysis of assets and liabilities and other information accompanying financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither given any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our examination of the books and records of the Company there are no unspent amount towards Corporate Social Responsibility (CSR) on either ongoing projects or other than ongoing projects and accordingly, reporting under paragraph 3(xx) (a) & (b) of the Order is not applicable for the year.
- xxi. The reporting under paragraph 3(xxi) of the Order is not applicable to the Company in the absence of any subsidiary, associate or joint venture.



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

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

BOMAN R PARAKH
(PARTNER)

MEMBERSHIP NO. 053400
UDIN: 22053400AJIZZE5826

PLACE: Kolkata
DATE: May 21, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

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

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

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

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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



INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

OPINION

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



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

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

BOMAN R PARAKH
(PARTNER)

MEMBERSHIP NO. 053400
UDIN: 22053400AJIZZE5826

PLACE: Kolkata
DATE: May 21, 2022

JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

BALANCE SHEET AS AT MARCH 31, 2022

(All amount in ₹ lakhs, unless otherwise stated)

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

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

As per our report of even date attached

For LODHA & CO

Chartered Accountants

Firm's Registration No.: 301051E


Boman R Parakh

Partner

Membership No.: 053400

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: May 21, 2022

Place: Kolkata

Date: May 21, 2022

JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ lakhs, unless otherwise stated)

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

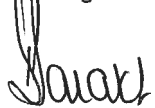
The accompanying notes 1-46 form an integral part of the financial statements.

As per our report of even date attached

For LODHA & CO

Chartered Accountants

Firm's Registration No.: 301051E


Boman R Parakh

Partner

Membership No.: 053400

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

Sourav Ghosh
Managing Director
DIN: 08154243

Jaydeep Ghosh
Whole Time Director & CEO
DIN: 07475085

Tirtha Pratim Sahu
Chief Financial Officer

Tanusree Ghosh
Company Secretary

Place: Kolkata

Date: May 21, 2022

Place: Kolkata

Date: May 21, 2022

JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

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

(All amount in ₹ lakhs, unless otherwise stated)

(A) Equity share capital

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

(B) Other equity

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

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

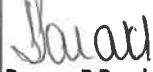
The accompanying notes 1-46 form an integral part of the financial statements.

As per our report of even date attached

For LODHA & CO

Chartered Accountants

Firm's Registration No.: 301051E


Boman R Parakh

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Membership No.: 053400

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

Sourav Ghosh

Managing Director

DIN: 08154243


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Chief Financial Officer


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Whole Time Director & CEO

DIN: 07475085


Tanusree Ghosh

Company Secretary

Place: Kolkata

Date: May 21, 2022

Place: Kolkata

Date: May 21, 2022

JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ lakhs, unless otherwise stated)

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

Additional notes to cash flow statement:

- The above cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7 "Statement of Cash Flows".
- Cash and cash equivalents as at the balance sheet date consists of :

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

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

As per our report of even date attached

For LODHA & CO

Chartered Accountants

Firm's Registration No.: 301051E

Boman R Parakh

Boman R Parakh

Partner

Membership No.: 053400



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

Date: May 21, 2022

Tanusree Ghosh

Tanusree Ghosh

Company Secretary

Place: Kolkata

Date: May 21, 2022

JAGARAN MICROFIN PRIVATE LIMITED

CIN: U74210WB1993PTC057457

Notes to the Financial Statements as at and for the year ended March 31, 2022

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 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

CIN: U74210WB1993PTC057457

Notes to the Financial Statements as at and for the year ended March 31, 2022

3.1. Revenue Recognition

3.1.1. Interest Income

Interest income for all financial instruments measured at amortized 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 recognized when the right to receive payment is established.
- 3.1.4. The Company recognizes gains on fair value change of financial assets measured at FVTPL and realized gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

3.2. 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 amortization 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 equipment	05
Vehicles	08
Computers (including Servers)	05



JAGARAN MICROFIN PRIVATE LIMITED

CIN: U74210WB1993PTC057457

Notes to the Financial Statements as at and for the year ended March 31, 2022

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

3.9. Contingent Liabilities and Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not 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 recognize 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 recognizes contribution payable to the respective funds as expenditure when an employee renders the related service.

3.10.2. Defined Benefit Plan

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



JAGARAN MICROFIN PRIVATE LIMITED

CIN: U74210WB1993PTC057457

Notes to the Financial Statements as at and for the year ended March 31, 2022

3.10.3. Other Employee Benefits

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

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

3.11. Taxes

3.11.1. Current Income Tax

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

3.11.2. Deferred Tax

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are 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 realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

3.12. Earnings Per Share

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

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



JAGARAN MICROFIN PRIVATE LIMITED

CIN: U74210WB1993PTC057457

Notes to the Financial Statements as at and for the year ended March 31, 2022

3.13. Financial Instruments

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

3.13.1. Financial Assets

3.13.1.1. Initial Recognition and Measurement

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

3.13.1.2. Classification and Subsequent Measurement

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

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

3.13.1.3. Loans at Amortized Costs

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

- a. Such loan is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method less impairment. Amortized cost is calculated by taking into account fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

3.13.1.4. Investment in Mutual Funds at Amortized Cost

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

3.13.2. Financial Liabilities

3.13.2.1. Initial Recognition and Measurement

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

3.13.2.2. Borrowings

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



JAGARAN MICROFIN PRIVATE LIMITED

CIN: U74210WB1993PTC057457

Notes to the Financial Statements as at and for the year ended March 31, 2022

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-recognizes the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

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

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

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

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

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

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

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

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



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Notes to the Financial Statements as at and for the year ended March 31, 2022

3.13.4.2. De-recognition of Financial Liabilities

Financial liability is de-recognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the re-cognition of a new liability. The difference in the respective carrying amounts is 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 amortized cost and FVOCI and other debt financial assets not held at FVTPL.

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

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

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

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

- Stage 1: When loans are first recognized, the Company recognizes an allowance based on 12 month ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the company records an allowance for the LTECLs.
- Stage 3: Loans considered credit-impaired. The Company records an allowance for the LTECLs.

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

3.14.2. 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 summarized below:

- Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.



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- 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured are categorized with fair value hierarchy into Level I, Level II and Level III based on level of input.

3.17. Segment Information

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

3.18. Foreign Currency

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

3.19. Leases (where the Company is the lessee)

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



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(All amount in ₹ lakhs, unless otherwise stated)

4 Cash and cash equivalents

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

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

5 Bank balances other than cash and cash equivalents

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

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

6 Loans

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

6.1 Region wise details

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

7 Other financial assets

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

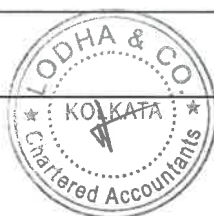
* Security deposits are under lien against borrowings.

7.1 Other receivables

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

8 Current tax assets (net)

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



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(All amount in ₹ lakhs, unless otherwise stated)

9 Deferred tax assets (net)

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

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

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

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

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



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Notes to the Financial Statements as at and for the Year ended March 31, 2022

(All amount in ₹ lakhs, unless otherwise stated)

10 Property, plant and equipment

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

11 Other intangible assets

Particulars	Computer software	Total
Gross Block		
Balance as at March 31, 2020	52.67	52.67
Additions	8.53	8.53
Disposal/Other Adjustments	-	-
Balance as at March 31, 2021	61.20	61.20
Additions	5.45	5.45
Disposal/Other Adjustments	-	-
Balance as at March 31, 2022	66.65	66.65
Accumulated Amortization		
Balance as at March 31, 2020	18.71	18.71
Charge for the year	13.01	13.01
Disposal/Other Adjustments	-	-
Balance as at March 31, 2021	31.72	31.72
Charge for the year	9.14	9.14
Disposal/Other Adjustments	-	-
Balance as at March 31, 2022	40.86	40.86
Net Block		
Balance as at March 31, 2020	33.96	33.96
Balance as at March 31, 2021	29.48	29.48
Balance as at March 31, 2022	25.79	25.79

12 Other non-financial assets

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



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Notes to the Financial Statements as at and for the Year ended March 31, 2022

(All amount in ₹ lakhs, unless otherwise stated)

13 Payables

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

13.1 Trade payables aging schedule as on March 31, 2022

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

Trade payables aging schedule as on March 31, 2021

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

14 Debt securities

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

14.1 Redemption details of debt securities

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

15 Borrowings (other than debt securities)

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

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

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



JAGARAN MICROFIN PRIVATE LIMITED

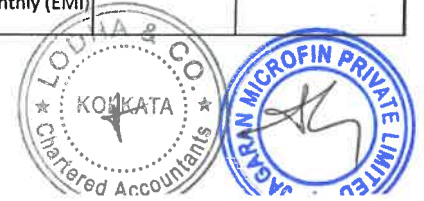
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Notes to the Financial Statements as at and for the Year ended March 31, 2022

All amounts in ₹ lakhs, unless otherwise stated

Terms and conditions of long term borrowings

	Particulars	2021-22	2020-21	Maturity	No. of Installments	Installment value	Repayment term	Rate of interest effective as on March 31, 2022
15.1	Rupee Loan from Banks							
i.	Bank of Baroda (Refer Note No. 15.3(b)) Term Loan No. 1	645.83	-	Oct-24	31	20.83/ Monthly	Apr'22 - Oct'24	1 YR MCLR + 100 BPS (Current Effective Rate 8.30%)
ii.	Bank of Maharashtra (Refer Note No. 15.3(a)) Term Loan No. 2 Term Loan No. 1	3,207.50 -	- 141.92	Sep-24	30	106.10/ Monthly	Apr'22 - Sept'24	1 YR MCLR + 200 BPS (Current Effective Rate 9.30%)
iii.	Canara Bank (Refer Note No. 15.3(b)) Term Loan No. - 2 Term Loan No. - 1	2,333.33 226.10	- 396.07	Jul-24 Jul-23	22 10	83.00/ Monthly 13.90/ Monthly	Apr'22 - Jul'24 Apr'22 - Jul'23	1 YR MCLR + 200 BPS (Current Effective Rate 8.95%) 1 YR MCLR + 410 BPS (Current Effective Rate 10.70%)
iv.	IDBI Bank (Refer Note No. 15.3(c)) Term Loan No. 4 Term Loan No. 3	100.03 -	- 198.78	Sep-24	24	4.16/ Monthly	Oct'22 - Sept'24	1 YR MCLR + 385 BPS (Current Effective Rate 11.45%)
v.	IDFC First Bank (Refer Note No. 15.3(a)) Term Loan No. 3 Term Loan No. 4 Term Loan No. 5	- 210.90 177.28	337.29 717.05 700.00	Aug-22 Jul-22	5 4	41.67/ Monthly 43.75/ Monthly	Apr'22 - Aug'22 Apr'22 - Jul'22	1 YR MCLR + 385 BPS (Current Effective Rate 10.55%) 1 YR MCLR + 385 BPS (Current Effective Rate 10.55%)
vi.	Indian Bank (Refer Note No. 15.3(a)) Term Loan No. 1 Term Loan No. 1A (trf. From Allahabad Bank)	456.63 -	823.89 565.33	May-23	14	33.33/ Monthly	Apr'22 - May'23	1 YR MCLR + 375 BPS (Current Effective Rate 11.80%)
vii.	Indian Overseas Bank (Refer Note No. 15.3(i)) Term Loan No. 1 Term Loan No. 2	1,001.21 1,000.90	- -	Mar-24 Mar-24	20 20	50.00/ Monthly 50.00/ Monthly	Aug'22 - Mar'24 Aug'22 - Mar'24	1 YR MCLR + 310 BPS (Current Effective Rate 10.55%) 1 YR MCLR + 310 BPS (Current Effective Rate 10.55%)
viii.	Jana Small Finance Bank (Refer Note No. 15.3(c)) Term Loan No. 1	2,340.02	-	Sep-23	18	141.88/ Monthly (EMI)	Apr'22 - Sept'23	12.47%



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	Particulars	2021-22	2020-21	Maturity	No. of Installments	Installment value	Repayment term	Rate of interest effective as on March 31, 2022
ix.	MUDRA (Refer Note No. 15.3(d)) Term Loan No. 1	715.52	1,576.52	Jan-23	10	75.00/ Monthly	Apr'22 - Jan'23	5.83%
x.	NABARD (Refer Note No. 15.3(h)) Term Loan No. 1	1,250.00	2,502.90	Sep-22	1	1,250.00/ Annually	Apr'22 - Sept'22	9.25%
xi.	Punjab National Bank (Refer Note No. 15.3(b)) Term Loan No. 1	3,193.75	-	Sep-24	30	106.06/ Monthly	Apr'22 - Sept'24	1 YR MCLR + 200 BPS (Current Effective Rate 9.30%)
	Term Loan No. 1A (trf from Oriental Bank of Commerce)	938.26	1,317.67	Sep-24	30	31.25/ Monthly	Apr'22 - Sept'24	1 YR MCLR + 250 BPS (Current Effective Rate 9.75%)
xii.	State Bank of India (Refer Note No. 15.3(c)) Term Loan No. 3	75.13	802.20	May-22	2	59.09/ Monthly	Apr'22 - May'22	1 YR MCLR + 250 BPS (Current Effective Rate 11.60%)
	Term Loan No. 4	1,187.83	2,301.12	May-23	14	89.58/ Monthly	Apr'22 - May'23	1 YR MCLR + 250 BPS (Current Effective Rate 11.60%)
	Term Loan No. 5	2,999.98	-	Dec-24	33	90.91/ Monthly	Apr'22 - Dec'24	1 YR MCLR + 475 BPS (Current Effective Rate 11.75%)
xiii.	UCO Bank (Refer Note No. 15.3(c)) Term Loan No. 3	488.22	916.70	Jun-23	15	35.47/ Monthly (EMI)	Apr'22 - Jun'23	1 YR MCLR + 315 BPS (Current Effective Rate 10.45%)
xiv.	Small Industries Development Bank of India Term Loan No. 1	-	570.41					
xv.	EASF Small Finance Bank Term Loan No. 1	-	234.33					
xvi.	Punjab & Sind Bank Term Loan No. 1	-	15.15					
xvii.	Ujjivan Small Finance Bank Term Loan No. 1	-	312.21					
	Sub-Total	22,548.42	14,429.54					
15.2 Rupee Loan from Non Banking Finance Company								
i.	Eclear Leasing and Finance Private Limited Term Loan - Tranche - 1	0.02	226.43		1	Balancing Figure		
ii.	Grow Money Capital Private Limited (Refer Note No. 15.3(f)) Term Loan No. 1	12.01	-					14.75%
iii.	Habitat Microbuild India Housing Finance Company Limited (Refer Note No. 15.3(f)) Term Loan No. 3	122.79	200.05	Jul-23	16		Apr'22 - Jul'23	14.75%
	Term Loan No. 2	80.08	164.17	Jan-23	10		Apr'22 - Jan'23	14.50%
	Term Loan No. 1	16.78	109.94	May-22	2		Apr'22 - May'22	14.50%



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	Particulars	2021-22	2020-21	Maturity	No. of Installments	Installment value	Repayment term	Rate of interest effective as on March 31, 2022
iv.	Incred Financial Services Limited (Refer Note No. 15.3(e))							
	Term Loan No. 3	162.27	301.48	Mar-23	12	14.47/ Monthly (EMI)	Apr'22 - Mar'23	14.50%
	Term Loan No. 2	-	315.79					
v.	MAS Financial Services Limited (Refer Note No. 15.3(g))							
	Term Loan - 58 & 59	293.84	800.95	Oct-22	7	41.67/ Monthly	Apr'22 - Oct'22	MAS PLR - 1.95% (Current effective rate 13.80%)
	Term Loan - 56 & 57	-	506.26					
	Term Loan - 55	-	250.57					
	Term Loan - 53 & 54	-	458.33					
	Term Loan - 52	-	229.17					
	Term Loan - 50 & 51	-	375.00					
	Term Loan - 49	-	187.50					
	Term Loan - 48	-	87.50					
	Term Loan - 46 & 47	-	204.17					
	Term Loan - 43, 44 & 45	-	375.00					
	Term Loan - 42	-	83.33					
	Term Loan - 39, 40 & 41	-	125.00					
	Term Loan - 36, 37 & 38	-	95.83					
vi.	Nabakishan Finance Limited (Refer Note No. 15.3(e))							
	Term Loan No. 2	207.96	374.89	Jul-23	5	41.67/ Quarterly	Apr'22 - Jul'23	14.25%
	Term Loan No. 1	246.37	749.01	Sep-22	2	125.00/ Half Yearly	Apr'22 - Sept'22	14.25%
vii.	Saidham Mercantile Private Limited (Refer Note No. 15.3(g))							
	Term Loan No. 1	501.59	142.81	Jun-23	15	36.76/ Monthly (EMI)	Apr'22 - Jun'23	15.00%
viii.	Western Capital Advisory Pvt. Ltd. (Refer Note No. 15.3(f))							
	Term Loan No. 2	83.33	449.88	Jun-22	3	27.78/ Monthly	Apr'22 - Jun'22	14.50%
	Term Loan No. 1	-	42.22					
ix.	Ananya Finance for Inclusive Growth (P) Limited							
	Term Loan No. 1	-	266.58					
x.	Mannaveeya Development & Finance Limited							
	Term Loan No. 2	-	267.12					
	Term Loan No. 3	-	600.00					
xi.	Nabsamrudhhi Financial Limited							
	Term Loan No. 2	-	316.50					
	Term Loan No. 3	-	374.66					
xii.	Jain Sons Finlease Limited							
	Term Loan No. 1	-	95.92					
xiii.	Electronica Finance Limited							
	Term Loan No. 1	-	146.99					
xiv.	Hinduja Leyland Finance Limited							
	Term Loan No. 1	-	938.39					
xv.	Arohan Financial Services Limited							
	Term Loan No. 1	-	47.26					
xvi.	Shine Star Build Cap							
	Term Loan No. 1	-	144.29					
	Sub-Total	1,727.04	10,052.99					
	Total-long term borrowings	24,275.46	24,482.53					

* EMI = Equated Monthly Installments



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Notes to the Financial Statements as at and for the Year ended March 31, 2022

All amounts in ₹ lakhs, unless otherwise stated

15.3 Details of security given for the loan

- a. Exclusive charge by way of hypothecation of standard loan receivables (other than specifically charged) of the company to the extent of 110% of outstanding loans.
- b. Exclusive charge by way of hypothecation of standard loan receivables (other than specifically charged) of the company to the extent of 110% of outstanding loans. Collaterally secured with 10% of the loan amount by way of term deposit along with the interest accrued thereon.
- c. Exclusive charge by way of hypothecation of standard loan receivables (other than specifically charged) of the company to the extent of 100% of outstanding loans. Corporate Guarantee of M/s GTFS Multi Services Limited for 25% of the sanction amount. Further a 5% -20% of the total credit facilities sanctioned in the form of lien marked term deposits with the bank.
- d. Exclusive charge by way of hypothecation of standard loan receivables (other than specifically charged) of the company to the extent of 100% of outstanding loans. Corporate Guarantee of M/s GTFS Multi Services Limited and personal guarantee of one of the Directors. Further a 10% of the total credit facilities sanctioned in the form of lien marked term deposits with the bank
- e. First and exclusive charge of microfinance loan portfolio (book debts) and future receivables therein by way of hypothecation to the extent of 110% of loan outstanding and interest accrued on a continuing basis. Only standard assets will be considered for arriving at the value of underlying pool of assets. The borrower shall deposit with the lender duly discharged term deposit receipts for an amount equivalent to 5% -10% of the loan amount disbursed for the tenure of this facility.
- f. First and exclusive charge of microfinance loan portfolio (book debts) and future receivables therein by way of hypothecation to the extent of 110% of loan outstanding and interest accrued on a continuing basis. Only standard assets will be considered for arriving at the value of underlying pool of assets.
- g. First and exclusive charge of microfinance loan portfolio (book debts) and future receivables therein by way of hypothecation to the extent of 100% of loan outstanding on a continuing basis. Only standard assets will be considered for arriving at the value of underlying pool of assets.
- h. Exclusive charge by way of hypothecation of standard loan receivables (other than specifically charged) of the company to the extent of 118% of outstanding loans. Personal guarantee of one of the Directors. Further a 10% of the total credit facilities sanctioned in the form of lien marked term deposits with the bank.
- i. Exclusive charge by way of hypothecation of standard loan receivables (other than specifically charged) of the company to the extent of 111% of outstanding loans. Corporate Guarantee of M/s GTFS Multi Services Limited and personal guarantee of one of the Directors. Further a 18% of the total credit facilities sanctioned in the form of lien marked term deposits with the bank
- j. Exclusive charge by way of hypothecation of standard loan receivables (other than specifically charged) of the company to the extent of 100% of outstanding loans. Further a 10% of the total credit facilities sanctioned in the form of lien marked term deposits with the bank.



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Notes to the Financial Statements as at and for the Year ended March 31, 2022

(All amount in ₹ lakhs, unless otherwise stated)

16 Subordinated debt

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

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

17 Other financial liabilities

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

18 Current tax liabilities (net)

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

19 Provisions

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

20 Other non-financial liabilities

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



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Notes to the Financial Statements as at and for the Year ended March 31, 2022

(All amount in ₹ lakhs, unless otherwise stated)

21 Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Authorized share capital				
Equity shares of ₹ 10 each	75,000,000	7,500.00	75,000,000	7,500.00
	75,000,000	7,500.00	75,000,000	7,500.00
Issued, Subscribed and Fully Paid Up				
Equity shares of ₹ 10 each	48,296,200	4,829.62	48,296,200	4,829.62
	48,296,200	4,829.62	48,296,200	4,829.62

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

(b) Terms/ Rights attached to Equity Shares

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

(c) Shares held by the Holding Company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of shares	% of holding	No of shares	% of holding
GTFS Multi Services Limited	34,815,600	72.09%	34,815,600	72.09%

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	% of holding	Number	% of holding
(a) GTFS Multi Services Limited (Holding Company)	34,815,600	72.09%	34,815,600	72.09%
(b) Abira Majumder	3,710,400	7.68%	3,695,000	7.65%
(c) Aatreyee Majumder	3,000,000	6.21%	3,000,000	6.21%
(d) Adipta Majumder	3,000,000	6.21%	3,000,000	6.21%

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

Name of Promoter	% Change during the Year	As at March 31, 2022		As at March 31, 2021	
		No. of shares	% of total shares	No. of shares	% of total shares
Fully Paid-up Equity Shares of ₹10 each:					
GTFS Multi Services Limited	-	34,815,600	72.09%	34,815,600	72.09%

22 Other equity

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

Nature and Purpose of Reserves:
i) Securities premium

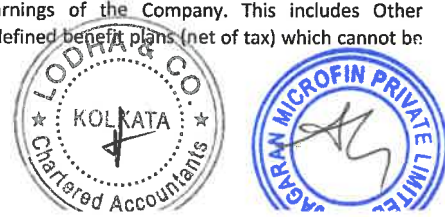
Securities Premium represents amount received in excess of the face value of the issued share capital. The same is utilised in accordance with the provisions of the Companies Act, 2013 read with relevant Rules.

ii) Statutory reserve

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

iii) Retained earnings

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



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Notes to the Financial Statements as at and for the Year ended March 31, 2022

(All amount in ₹ lakhs, unless otherwise stated)

23 Interest income

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

24 Dividend income

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

25 Interest on income tax refund

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

26 Other income

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

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

27 Finance costs

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

28 Impairment of financial instruments

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



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Notes to the Financial Statements as at and for the Year ended March 31, 2022

(All amount in ₹ lakhs, unless otherwise stated)

29 Employee benefits expense

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

30 Depreciation and amortisation expense

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

31 Other Expenses

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

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

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



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Notes to the Financial Statements as at and for the Year ended March 31, 2022

(All amount in ₹ lakhs, unless otherwise stated)

32: Additional Information to the Financial Statements

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

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

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

The amount due to the Micro and Small Enterprise as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of the information available with the Company. The disclosure relating to the Micro and Small Enterprise as at March 31, 2022 are as under:

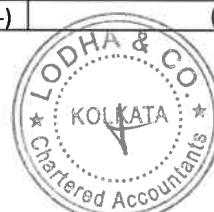
Description	For the Year ended March 31, 2022	For the Year ended March 31, 2021
a. The Principal Amount remaining unpaid to Supplier as at end of the year	-	-
b. Interest Due as on remaining unpaid to Supplier as at the end of the year	-	-
c. Amount of Interest Due and Payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding Interest specified under the Act	-	-
d. Amount of Interest accrued and remaining unpaid as at end of the year	-	-
e. The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

33: List of Related Parties and Relationship

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

Transaction with Related Parties

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



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(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Holding Company	KMP & their relatives	Other Related Parties
Rent and Maintenance Charges	218.50	-	-
	(199.53)	(-)	(-)
Rent and Maintenance Charges (paid to Mr. Bhabesh Majumder)	-	3.36	-
	(-)	(2.83)	(-)
Remuneration of Mr. Sourav Ghosh	-	38.94	-
	(-)	(36.00)	(-)
Remuneration of Ms. Aatreyee Majumder	-	35.92	-
	(-)	(33.00)	(-)
Remuneration of Mr. Jaydeep Ghosh	-	35.92	-
	(-)	(33.00)	(-)
Sitting Fees to Mr. Samir Kumar Barua	-	0.16	-
	(-)	(4.20)	(-)
Sitting Fees to Mrs. Shanta Ghosh	-	2.62	-
	(-)	(2.51)	(-)
Sitting Fees to Mr. Pratip Chaudhuri	-	1.91	-
	(-)	(1.80)	(-)
Sitting Fees to Mr. Dipankar Chatterji	-	5.34	-
	(-)	(3.70)	(-)
Sitting Fees to Mr. Sandip Ghose	-	0.16	-
	(-)	(4.36)	(-)
Sitting Fees to Mr. Rana Som	-	3.98	-
	(-)	(3.54)	(-)

Numbers in brackets represent previous year's figures

Balance Outstanding as at the end of the reporting period

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

Numbers in brackets represent previous year's figures

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

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



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

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

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

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

34: Earnings Per Share

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

35 : Corporate Social Responsibility (CSR) Expenditure

In accordance to Section 135 of Companies Act 2013, the Company has incurred ₹ 48.29 (Previous year: ₹ 44.04) as CSR expenditure. Under the CSR activities, the Company has arranged free skill development training for women, free medical camp, free primary school training, financial literacy programme, merit scholarship, free coaching center and other social security programmes. Out of the above expenditure, ₹ 6.03 (Previous year: ₹ 2.31) has been donated by the Company to the Prime Minister's National Relief Fund (PMNRF).

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

c) Amount spent during the year on:

Particulars	In Cash	Yet to be Paid in Cash	Total
(i) Construction/Acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	48.29	-	48.29

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

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

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



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(All amount in ₹ lakhs, unless otherwise stated)

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

36.2 Expense Recognised in Profit or Loss

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

36.3 Income Recognised in Profit or Loss

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

36.4 Re-measurement Recognised in Other Comprehensive Income

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

36.5 Plan Assets

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



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Notes to the Financial Statements as at and for the Year ended March 31, 2022

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36.6 Defined Benefit Obligation - Actuarial Assumptions

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

36.7 Sensitivity Analysis

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

Particulars	March 31, 2022			
	Increase	%	Decrease	%
Discount Rate (+/- 100 basis points)	95.09	-9.95%	117.56	11.32%
Future Salary Growth (+/- 100 basis points)	117.59	11.36%	94.98	-10.06%
Attrition Rate (+/- 100 basis points)	105.51	-0.09%	105.70	0.09%
Mortality Rate (+/- 100 basis points)	105.68	0.08%	105.52	-0.08%
Particulars	March 31, 2021			
	Increase	%	Decrease	%
Discount Rate (+/- 100 basis points)	82.59	-10.46%	103.26	11.96%
Future Salary Growth (+/- 100 basis points)	103.25	11.95%	82.52	-10.54%
Attrition Rate (+/- 100 basis points)	92.09	-0.16%	92.38	0.16%
Mortality Rate (+/- 100 basis points)	92.28	0.05%	92.19	-0.05%

36.8 Table Showing Cash Flow Information

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

36.9 Table Showing Maturity Analysis of the Defined Benefit Plan

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

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.



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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.

Interest rate risk exposure on financial liabilities

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

* Before adjustment of processing cost

Sensitivity Analysis

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

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

The above sensitivity has been calculated holding all other variables constant.

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

37.2b Liquidity Risk

Liquidity risk refers to the risk that the Company may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operating and financing activities to meet its financial obligations as and when they fall due. Our resource mobilization team sources funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilization team is responsible for diversifying fundraising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed. The maturity schedule for all financial liabilities and assets are regularly reviewed and monitored. Company has 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. 40.7 provide details regarding the contractual maturities of significant financial assets and liabilities as at year end.



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38. Maturity Analysis of Assets and Liabilities

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

Assets	As at March 31, 2022		
	Within 12 Months	After 12 Months	Total
Cash and Cash Equivalents	3,159.72	-	3,159.72
Other Balances with Bank	3,410.03	787.17	4,197.20
Loans	23,940.41	5,803.55	29,743.96
Other Financial Assets	288.32	-	288.32
Tax Assets (Net)	155.53	852.53	1,008.06
Property, Plant and Equipment	-	66.20	66.20
Other Intangible Assets	-	25.79	25.79
Other Non-financial Assets	74.86	-	74.86

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

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

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

* For the year ended March 31, 2022, all borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.



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

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

Loans Measured at Amortised Cost

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

Other Financial Assets Measured at Amortised Cost

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

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

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

Other Financial Liabilities Measured at Amortised Cost

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

B. Fair Value Hierarchy

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

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

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

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



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Fair Value Hierarchy of Financial Assets and Financial Liabilities:

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

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

Valuation Technique and Significant Unobserved Inputs used:**(i) Income Approach.**

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

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

C. Utilization of Borrowed Funds and Securities Premium

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



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

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

40.2 Liquidity Coverage Ratio

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

40.3 Ratings

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

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

40.5 Exposure to real estate sector, both direct & indirect

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

40.6 Other Disclosures

- 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, 2022

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

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

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

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

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



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40.8 Movement of Loan and Estimated Credit Loss (ECL)

Particulars	As At March 31, 2022				As At March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Value of Assets Opening Balance	16,557.19	16,515.13	2,687.34	35,759.66	47,005.90	96.08	243.64	47,345.62
New Assets originated during the year, netted off for repayments and derecognised portfolio	3,923.45	(3,651.55)	(2,564.54)	(2,292.64)	(13,192.48)	(69.10)	1,740.08	(11,521.50)
Assets written off during the year	(64.12)	(2,387.82)	(69.31)	(2,521.25)	-	-	(64.46)	(64.46)
Movement between Stages								
Transfer to Stage 1	5,796.02	(5,761.27)	(34.75)	-	2.22	(1.16)	(1.06)	-
Transfer to Stage 2	-	-	-	-	(16,489.32)	16,489.32	-	-
Transfer to Stage 3	-	(1,193.53)	1,193.53	-	(769.13)	(0.01)	769.14	-
Gross Carrying Value of Assets Closing Balance	26,212.54	3,520.96	1,212.27	30,945.77	16,557.19	16,515.13	2,687.34	35,759.66

Particulars	As At March 31, 2022				As At March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL Allowance - Opening Balance	47.53	1,651.51	2,035.65	3,734.69	485.56	80.63	228.68	794.87
New Assets originated during the year, netted off for repayments and derecognised portfolio	-	(118.39)	(2,035.65)	(2,154.04)	(393.08)	(77.93)	1,146.54	675.53
Assets written off during the year	(0.17)	(238.79)	(69.08)	(308.04)	-	-	(60.50)	(60.50)
Movement between Stages								
Transfer to Stage 1	23.45	(23.45)	-	-	0.01	(0.12)	(0.99)	(1.10)
Transfer to Stage 2	-	-	-	-	(42.96)	1,648.93	-	1,605.97
Transfer to Stage 3	-	(969.09)	969.09	-	(2.00)	-	721.92	719.92
ECL Allowance - Closing Balance	70.81	301.79	900.01	1,272.61	47.53	1,651.51	2,035.65	3,734.69

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

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

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

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

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

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

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

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

During the year the average interest on borrowings calculated on balances of average monthly outstanding borrowings is 13.09%.

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



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42: Additional information to the financial statements

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

Particulars

Liabilities side:

	Amount Outstanding	Amount Overdue
1) Loans & advances availed by the NBFC inclusive of accrued interest thereon but not paid		
(a) Debentures: Secured	4,304.74	Nil
Unsecured	Nil	Nil
(Other than falling within the meaning of public deposits)		
(b) Deferred credits	Nil	Nil
(c) Term loans	24,492.45	Nil
(d) Inter-corporate loans and borrowings	Nil	Nil
(e) Commercial papers	Nil	Nil
(f) Public deposits	Nil	Nil
(g) Other loans (specify nature)	Nil	Nil
2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a) In the form of unsecured debentures	Nil	Nil
(b) In the form of partly secured debentures i.e. debenture where there is a shortfall in the value of security	Nil	Nil
(c) Other public deposits	Nil	Nil

Particulars

Assets Side:

	Amount Outstanding
3) Break-up of loans and advances including bills receivables[other than those included in (4) below]	
(a) Secured	Nil
(b) Unsecured	30,945.77
4) Break up of leased assets and stock on hire and other assets counting towards AFC activities	
(i) Lease assets including lease rentals under sundry debtors	
(a) Financial lease	Nil
(b) Operating lease	Nil
(ii) Stock on hire including hire charges under sundry debtors	
(a) Asset on hire	Nil
(b) Repossessed assets	Nil
(iii) Other loans counting towards AFC activities.	
(a) Loans where assets has been repossessed	Nil
(b) Loans other than (a) above	Nil

5) Break up of investments

Current investments

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

Long term investments

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



JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

Notes to the Financial Statements for the Year ended March 31, 2022

(All amount in ₹ lakhs, unless otherwise stated)

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

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

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

8) Other Information:

Particulars

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

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

43: Segment Information

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

44: Impact of COVID-19 Pandemic

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

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

45: Previous Year's Figures

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

46: Adoption in Board Meeting

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

For LODHA & CO

Chartered Accountants

Firm's Registration No.: 301051E


Boman R Parakh

Partner

Membership No. 053400

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

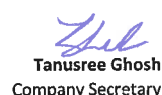

Sourav Ghosh
Managing Director
DIN: 08154243



Jaydeep Ghosh
Whole Time Director & CEO
DIN: 07475085



Tirtha Pratim Sahu
Chief Financial Officer



Tanusree Ghosh
Company Secretary

Place: Kolkata

Date: May 21, 2022

Place: Kolkata

Date: May 21, 2022