

INDEPENDENT AUDITORS' REPORT

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 (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2023, 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 (hereinafter referred to as "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 (hereinafter referred to as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, 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 (hereinafter referred to as "SAs") notified under section 143(10) of the Act. Our responsibilities under those SAs 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 (hereinafter referred to as "the 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, 2023. 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.	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 Reserve Bank of India (hereinafter referred to as "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 THE 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 issued thereunder from time to time. 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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; and
- 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 (hereinafter referred to as "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.

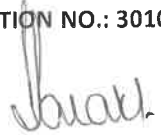


2. Further to our comments in the annexure referred to in the paragraph above, as required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - 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 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164(2) of the Act; and
 - 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 Company's 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. 31 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 has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. a. The Company receives the fund and advances the same as loan as part of its normal business activities and as such, has represented that, to the best of its knowledge and belief as disclosed in note no. 40C 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief as disclosed in note no. 40C 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, whether, 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;
 - 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) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, 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; and



- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended from time to time, for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 01, 2023 and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, is not applicable for the financial year ended March 31, 2023.
4. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended from time to time, in our opinion and to the best of our information, the Company is a private limited company and hence, provisions of section 197 of the Act are not applicable.

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



**BOMAN R PARAKH
(PARTNER)
MEMBERSHIP NO.: 053400
UDIN: 23053400BGSCMR1845**



PLACE: Kolkata
DATE: May 12, 2023

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 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; and
 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 pursuant 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, 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 freehold or leasehold land and building. Accordingly, reporting under clause (i)(c) of paragraph 3 of the Order is not applicable to the Company;
 - d. The Company has not revalued any of its Property, plant and equipment and Intangible assets during the year. The Company does not have any Right-of-use assets. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable to the Company; and
 - 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 March 31, 2023 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 clause (i)(e) of paragraph 3 of the Order is not applicable to the Company.
- 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 (hereinafter referred to as "NBFC"), primarily engaged in the business of lending and accordingly, does not hold any inventories. Accordingly, reporting under clause (ii)(a) of paragraph 3 of the Order is not applicable to the Company; and
 - b. The Company has not been sanctioned any working capital limit on the basis of security of Current Assets of the Company at any point of time during the year. Accordingly, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable to the Company.
- 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 (iii)(a) of paragraph 3 of the Order is not applicable to the Company;
- b. The Company, being a NBFC, registered under provisions of the Reserve Bank of India Act, 1934 (hereinafter referred to as "the 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 investments or provided any guarantee or security and has also not granted any advances in the nature of loans during the year;
- c. The Company, being a NBFC, registered under provisions of the 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 note no. 41.8 to the financial statements for summarized details of such loans and categorization thereof based on record of recovery. The Company has not granted any advances in the nature of loans during the year;



- d. The Company, being a 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 recovery thereof;

No. of cases	Principal amount overdue	Interest overdue	Total overdue	Remarks
11,305	1,182.74	463.62	1,646.36	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 (iii)(e) of paragraph 3 of the Order is not applicable to the Company; and
- 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 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 granted any loan or provided any guarantee or security as covered under section 185 of the Act and accordingly, reporting in this respect is not applicable to the Company.
- v. According to the information and explanations given to us and based on our examination of the books of account, the Company being a NBFC registered with the 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 from time to time, with regard to acceptance of deposits are not applicable to the Company. Accordingly, reporting under clause (v) of paragraph 3 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, reporting under clause (vi) of paragraph 3 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 services tax, sales tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable; and
 - There are no statutory dues referred to in clause (vii)(a) hereinabove which have not been deposited on account of any dispute.
- 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 (43 of 1961) and accordingly reporting under clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix. In our opinion and on the basis of information and explanations given to us by the management 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;



- c. The Company has utilized the money obtained by way of term loans from bank during the year for the purposes 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 purposes for which the same was obtained.
- d. The Company has not raised any funds on short term basis during the year and accordingly, reporting under clause (ix)(d) of paragraph 3 of the Order is not applicable to the Company; and
- e. The Company does not have any subsidiary, associate or joint venture and accordingly, reporting under clauses (ix)(e) and (ix)(f) of paragraph 3 of the Order is not applicable to the Company.
- x. 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 has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and accordingly, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable to the Company; and
 - b. The Company has made preferential allotment of shares in accordance with the requirements of section 62 of the Act and funds raised in this respect have been utilized for the purposes for which they were raised. The Company has not made any preferential allotment or private placement of convertible debentures (fully, partially or optionally convertible) during the year.
- 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 we been informed of any such cases by the management;
- b. According to the information and explanations given to us and based on our examination of the books and records of the Company, 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 the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, with the Central Government. Accordingly, reporting under clause (xi)(b) of paragraph 3 of the Order is not applicable to the Company; and
- 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. Accordingly, reporting under clause (xi)(c) of paragraph 3 of the Order is not applicable to 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 are not applicable to it. Accordingly, reporting under clauses (xii)(a), (xii)(b) and (xii)(c) of paragraph 3 of the Order are not applicable to the Company.
- 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 the 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. The Company has appointed a firm of Chartered Accountants to carry out the internal audit of the Company. In our opinion and according to the information and explanations given to us, the internal audit system is commensurate with the size and nature of its business; and
- b. We have considered, during the course of our audit, the reports of the internal auditor 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 accordingly, reporting under clause (xv) of paragraph 3 of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us and as represented to us by the management 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 as defined in the Core Investment Companies (Reserve Bank) Directions, 2016, as amended from time to time, issued by the RBI. Accordingly, reporting under clause (xvi)(c) of paragraph 3 of the Order is not applicable to the Company; and
 - d. Based on the representation received by us from the management, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause (xvi)(d) of paragraph 3 of the Order is not applicable to the Company.
- xvii. Based on the examination of the books of accounts we report that the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable to 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 (refer note no. 39 to the financial statements detailing the maturity analysis of assets and liabilities) and other information accompanying the financial statements, and our knowledge of the Board of Directors and management plans and based on our examination of the evidences 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 on either ongoing projects or other than ongoing projects as stated in section 135 of the Act and accordingly, reporting under clauses (xx)(a) and (xx)(b) of paragraph 3 of the Order are not applicable to the Company.
- xxi. The reporting under clause (xxi) of paragraph 3 of the Order is not applicable to the Company in the absence of any subsidiary, associate or joint venture.



PLACE: Kolkata
DATE: May 12, 2023

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

BOMAN R PARAKH
(PARTNER)
MEMBERSHIP NO.: 053400
UDIN: 23053400BGSCMR1845

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in point (f) of paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the members of 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 (hereinafter referred to as "the Act")

We have audited the internal financial controls with reference to financial statements of Jagaran Microfin Private Limited (hereinafter referred to as "the Company") as at March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to the 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 (hereinafter referred to as "the Guidance Note") issued by the Institute of Chartered Accountants of India (hereinafter referred to as "the 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, safeguarding of its assets, 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 the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing notified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards on Auditing 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 evidences 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 reporting included obtaining an understanding of internal financial controls with reference to the 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 the financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE 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 THE 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, 2023, based on the internal control with reference to the 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.



PLACE: Kolkata

DATE: May 12, 2023

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: 23053400BGSCMR1845

JAGARAN MICROFIN PRIVATE LIMITED
CIN : U74210WB1993PTC057457
BALANCE SHEET AS AT MARCH 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	4	2,133.33	3,055.61
Bank balances other than cash and cash equivalents	5	4,566.15	4,300.42
Investment		-	-
Trade receivables	6	68.57	-
Loans	7	33,887.69	29,725.02
Other financial assets	8	2,815.29	289.82
Non-financial assets			
Current tax assets (net)	9	217.36	155.53
Deferred tax assets (net)	10	793.46	852.53
Property, plant and equipment	11	38.51	66.20
Other intangible assets	12	22.78	25.79
Other non-financial assets	13	73.19	74.25
TOTAL ASSETS		44,616.33	38,545.17
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	14	7.39	14.71
Debt securities	15	1,929.31	4,304.74
Borrowings (other than debt securities)	16	30,015.69	23,992.03
Subordinated liabilities	17	500.42	500.42
Other financial liabilities	18	1,725.49	219.09
Non-financial liabilities			
Provisions	19	119.11	108.21
Other non-financial liabilities	20	56.78	34.76
EQUITY			
Equity share capital	21	5,129.62	4,829.62
Other equity	22	5,132.52	4,541.59
TOTAL LIABILITIES AND EQUITY		44,616.33	38,545.17

The accompanying notes 1-45 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

Place: Kolkata

Date: May 12, 2023



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

Tanusree Ghosh
Tanusree Ghosh
 Company Secretary

Aatreyee Majumder

Aatreyee Majumder
 Whole Time Director
 DIN: 08363766

Arun Gupta
Arun Gupta
 Chief Financial Officer

Sourav Ghosh

Sourav Ghosh
 Managing Director
 DIN: 08154243

Place: Kolkata
 Date: May 12, 2023

JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
Interest income	23	6,516.49	6,476.72
Dividend income	24	52.36	28.10
Fees and commission income	25	15.10	-
Total revenue from operations		6,583.95	6,504.82
Other income	26	407.61	2,233.89
TOTAL INCOME		6,991.56	8,738.71
Expenses			
Finance costs	27	3,688.93	3,343.49
Employee benefits expense	28	1,771.81	1,724.66
Depreciation and amortisation expense	29	47.16	36.87
Other expenses	30	1,126.90	3,119.69
TOTAL EXPENSES		6,634.80	8,224.71
Profit before tax		356.76	514.00
Tax expense			
(a) Current tax		-	-
(b) Deferred tax	10	60.95	149.35
Total tax expense		60.95	149.35
Profit for the year		295.81	364.65
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Re-measurements of the defined benefit plans		(6.76)	2.01
(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss		1.88	(0.51)
Total other comprehensive income for the year, net of tax		(4.88)	1.50
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)		290.93	366.15
Earnings per equity share (Par value of ₹ 10/- each)			
Basic and diluted earnings per share (₹)	33	0.58	0.76

The accompanying notes 1-45 form an integral part of the financial statements.

As per our report of even date attached

For LODHA & CO

Chartered Accountants

Firm's Registration No.: 301051E


Boman R Parakh

Partner

Membership No.: 053400

Place: Kolkata

Date: May 12, 2023




Tanusree Ghosh

Company Secretary


Arun Gupta

Chief Financial Officer

Place: Kolkata

Date: May 12, 2023

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

Aatreyee Majumder

Whole Time Director

DIN: 08363766


Sourav Ghosh

Managing Director

DIN: 08154243

JAGARAN MICROFIN PRIVATE LIMITED
CIN : U74210WB1993PTC057457
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	356.76	514.00
	Adjustments for:		
	Depreciation and amortisation expense	47.16	36.87
	Dividend income	(52.36)	(28.10)
	Interest income on deposits	(276.40)	(309.00)
	Sundry assets written off	131.65	2,217.47
	Liabilities no longer required written back	(11.76)	(53.30)
	Provision no longer required written back	(10.44)	(2,154.05)
	Operating profit before working capital changes	184.61	223.89
	Adjustment for changes in operating assets & liabilities		
	<u>Adjustments for (increase)/ decrease in operating assets:</u>		
	Loans	(4,273.53)	2,294.93
	Trade receivables	(68.57)	-
	Other financial assets	(46.45)	1.78
	Other non-financial assets	1.06	(19.89)
	<u>Adjustments for increase/ (decrease) in operating liabilities:</u>		
	Trade payables	4.44	(162.67)
	Provisions	(16.89)	(9.14)
	Other financial liabilities	1,503.87	9.70
	Other non-financial liabilities	22.02	(4.45)
	Cash (used in)/ generated from operations	(2,689.44)	2,334.15
	Income tax paid	(61.83)	(437.54)
	Net cash (used in)/ generated from operating activities	(2,751.27)	1,896.61
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of property, plant and equipment	(13.93)	(7.11)
	Purchase of investment in mutual fund	(21,437.14)	(12,311.08)
	Sale of investment in mutual fund	21,437.14	12,311.08
	(Investment in)/redemption of deposits with banks & NBFCs (net)	(2,734.08)	1,225.18
	Interest received on deposits	276.41	308.11
	Dividend received	52.36	28.10
	Net cash (used in)/ generated from investing activities	(2,419.24)	1,554.28
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Issue of share capital	600.00	-
	Proceeds from borrowings from banks and NBFCs	26,460.00	19,350.00
	Repayment of borrowings to banks and NBFCs	(22,811.77)	(21,667.55)
	Net cash (used in)/ generated from financing activities	4,248.23	(2,317.55)
	Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(922.28)	1,133.34
	Cash and cash equivalents as at the beginning of the year (Refer note no. 4)	3,055.61	1,922.27
	Cash and Cash Equivalents as at the end of year (Refer note no. 4)	2,133.33	3,055.61

Additional notes

- 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, 2023	As at March 31, 2022
	Cash on hand	8.32	36.67
	Balances with banks - in current accounts	1,922.08	3,018.94
	Balances with banks - In term deposits	202.93	-
		2,133.33	3,055.61

3 Reconciliation of liabilities arising from financing activities

	Particulars	As at March 31, 2022	Cash flows	Non-cash items	As at March 31, 2023
	Debt securities	4,304.74	(2,375.43)	-	1,929.31
	Borrowings (other than debt securities)	23,992.03	5,793.31	230.35	30,015.69
	Subordinated liabilities	500.42	-	-	500.42



JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

- 4 Cash and cash equivalents do not include any amount which is not available to the company except the balance with banks in term deposit which has lien against a term loan and the same has since been released in the month of April, 2023.
- 5 Company has incurred Rs. 15.19 (previous year Rs. 48.29) in cash on account of corporate social responsibility (CSR) expenditure.
- 6 As breakup of cash and cash equivalents is also available in note no. 4, reconciliation of items of cash and cash equivalents as per cash flow statement with respective items reported in the balance sheet is not required and hence not provided.

The accompanying notes 1-45 form an integral part of the financial statements.

As per our report of even date attached

For LODHA & CO

Chartered Accountants

Firm's Registration No.: 301051E



Boman R Parakh

Partner

Membership No.: 053400

Place: Kolkata

Date: May 12, 2023




Tanusree Ghosh

Company Secretary



Arun Gupta

Chief Financial Officer

Place: Kolkata

Date: May 12, 2023

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



Aatreyee Majumder

Whole Time Director

DIN: 08363766



Sourav Ghosh

Managing Director

DIN: 08154243

JAGARAN MICROFIN PRIVATE LIMITED

CIN : U74210WB1993PTC057457

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

(A) Equity share capital

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance as at the beginning of the year	4,829.62	4,829.62
Changes in equity share capital during the year	300.00	-
Balance as at the end of the year	5,129.62	4,829.62

(B) Other equity

Particulars	Reserves and surplus			Other comprehensive income	Total
	Securities premium	Statutory reserves	Retained earnings	Remeasurement of net defined benefit plans	
As at March 31, 2022	855.13	1,205.62	2,480.84	-	4,541.59
Proceeds from issue of share capital	300.00	-	-	-	300.00
Profit for the year	-	-	295.81	-	295.81
Other comprehensive income for the year	-	-	-	(4.88)	(4.88)
Transfer to/ (from) retained earnings	-	-	(4.88)	4.88	-
Total comprehensive income for the year	-	-	290.93	-	290.93
Transferred to statutory reserve	-	59.16	(59.16)	-	-
As at March 31, 2023	1,155.13	1,264.78	2,712.61	-	5,132.52
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
Transfer to/ (from) retained earnings	-	-	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

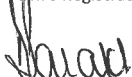
The accompanying notes 1-45 form an integral part of the financial statements.

As per our report of even date attached

For LODHA & CO

Chartered Accountants

Firm's Registration No.: 301051E


Boman R Parakh

Partner

Membership No.: 053400

Place: Kolkata

Date: May 12, 2023

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

Tanusree Ghosh

Company Secretary


Arun Gupta

Chief Financial Officer

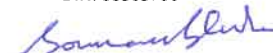
Place: Kolkata

Date: May 12, 2023


Aatreyee Majumder

Whole Time Director

DIN: 08363766


Sourav Ghosh

Managing Director

DIN: 08154243

JAGARAN MICROFIN PRIVATE LIMITED**CIN: U74210WB1993PTC057457****Notes to the financial statements for the year ended March 31, 2023****1. Corporate information**

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

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

2. Basis of preparation

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

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. An analysis regarding maturity of assets and liabilities within 12 months and more than 12 months after the reporting date is presented in Note No. 39.

The company prepares and presents its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Cash Flow Statement has been prepared as per the requirements of IND AS 7 "Statement of Cash Flows". The financial statements of the Company are prepared with the Companies (Indian Accounting Standards) Rules, 2015 under section 133 of the Act and relevant amendment rules issued thereafter ("IND AS").

The financial statements are prepared on a going concern basis as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

Accounting policies are consistently applied except where a newly- issued Ind AS initially adopted or a revision to an existing Ind AS requires a change in the accounting policy.

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

2.2. Presentation and functional currency

The financial statements are presented in Indian Rupees which is the functional and the presentation currency of the Company and all values are rounded to the nearest Lakhs with two decimals, except when otherwise stated.

2.3. 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.:



JAGARAN MICROFIN PRIVATE LIMITED

CIN: U74210WB1993PTC057457

Notes to the financial statements for the year ended March 31, 2023

- Business model assessment (Refer Note no. 3.13)
- Effective interest rate (EIR) (Refer Note no. 3.1.2)
- 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)

2.4. Recent pronouncements

New and revised standards adopted by the company

Effective April 01, 2022, the company has adopted the amendments vide Companies (Indian Accounting Standard) Amendment Rules, 2022 notifying amendment to existing Ind AS. These amendments to the extent relevant to the company's operation were relating to Ind AS 16 "Property, Plant and Equipment" which clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment and Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" which specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

There were other amendments in various standards including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations", Ind AS 109 "Financial Instruments", and Ind AS 41 "Agriculture" which have not been listed herein above since these are not relevant to the company.

Revision in these standards did not have any material impact on the profit/loss and earning per share for the year.

Standards issued but not yet effective

On March 31, 2023, Ministry of Corporate Affairs (MCA) has made certain amendments to existing Ind AS vide Companies (Indian Accounting Standard) Amendment Rules, 2023. These amendments to the extent relevant to the company's operation include amendment to Ind AS 1 "Presentation of Financial Statements" which requires the entities to disclose their material accounting policies rather than their significant accounting policies, Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" which has introduced a definition of 'accounting estimates' and include amendments to help entities distinguish changes in accounting policies from changes in accounting estimates. Further consequential amendments with respect to the concept of material accounting policies have also been made in Ind AS 107 "Financial Instruments: Disclosures" and Ind AS 34 "Interim Financial Reporting".

There are other amendments in various standards including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations, Ind AS 109 "Financial Instruments", Ind AS 115 "Revenue from Contracts with Customers", Ind AS 12 "Income Taxes" which has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences and Ind AS 102 "Share-based Payment" which have not been listed herein above since these are not relevant to the company.

Even though the company will evaluate the impact of above, none of these amendments as such are vital in nature and are not likely to have material impact on the financial statements of the company.

3. Summary of significant accounting policies

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

3.1. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured and there exists reasonably certainty of its recovery.



JAGARAN MICROFIN PRIVATE LIMITED

CIN: U74210WB1993PTC057457

Notes to the financial statements for the year ended March 31, 2023

3.1.1. Interest income

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

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

Dividend income is recognized when the right to receive payment is established.

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.

3.1.2. Other income

The company recognizes revenue from contracts with customers (other than Financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The company identifies contract(s) with a customer and its performance obligation under the contract, determines the transaction price and its allocation to the performance obligation in the contract and recognizes revenue only on satisfactory completion of performance obligation in the contract and recognizes revenue only on satisfactory completion of performance obligation. Revenue is measured at the fair value of the consideration received or receivable.

Miscellaneous Income

Miscellaneous income represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

3.2. Finance cost

Borrowing cost on financial liabilities are recognized 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.



JAGARAN MICROFIN PRIVATE LIMITED

CIN: U74210WB1993PTC057457

Notes to the financial statements for the year ended March 31, 2023

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)	03

3.6.2. Amortization

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

3.7. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining the 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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize contingent liability but discloses its existence in the financial statements.

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



JAGARAN MICROFIN PRIVATE LIMITED

CIN: U74210WB1993PTC057457

Notes to the financial statements for the year ended March 31, 2023

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 recognized with corresponding charge/credit to the retained earnings through other comprehensive income in the period in which they occur.

3.10.3 Other employee benefits

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

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 recognized outside the statement profit or loss is recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 recognized 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 recognized outside the statement profit or loss is recognized 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.



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

3.13. Financial instruments

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

3.13.1. Financial assets

3.13.1.1. Initial recognition and measurement

Financial assets are initially recognized 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 recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that does not contain a significant financing component are measured at transaction price.

3.13.1.2. Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three 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 recognized 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 such on initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at 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.



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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-recognized 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 recognized 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 recognized in the statement of profit or loss account.

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 recognized in the statement of profit and loss.



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3.13.5. Impairment of financial assets

3.13.5.1. 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.

3.13.5.2. 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 41.8 for calculation.

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.

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%.

3.13.6. 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.



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3.14. 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.

3.15. Segment information

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

3.16. Foreign currency

All transactions in foreign currency are recognized 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.

3.17. 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	Refer note no.	As at March 31, 2023	As at March 31, 2022
Cash on hand		8.32	36.67
Balances with banks			
In current accounts	4.1	1,922.08	3,018.94
In term deposits		202.93	-
		2,133.33	3,055.61

4.1 Term deposits under lien against borrowings, which has since been settled in the month of April 2023, as at March 31, 2023 ₹ 202.93 (Previous year: Nil)

5 Bank balances other than cash and cash equivalents

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Balances with banks and other financial institutions - In term deposit	5.1 & 5.2	4,566.15	4,300.42
		4,566.15	4,300.42

5.1 Term deposits under lien against borrowings as at March 31, 2023 ₹ 4,412.83 (previous year: ₹ 3,542.88)

5.2 Term deposit include ₹ 39.81 (Previous year: Nil) held as security with Business Correspondents for loan disbursed by them.

6 Trade receivables (at amortised cost)

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		68.57	-
		68.57	-

6.1 Trade receivables ageing schedule

As at March 31, 2023

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	68.57	-	-	-	-	-	68.57
	68.57	-	-	-	-	-	68.57

As at March 31, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

6.2 No trade receivables are due from directors or other officers of the company either severally or jointly with any other person nor due from firms or private companies respectively in which any director is a partner, a director or a member.

6.3 Details relating to the company's credit risk management have been given in note no. 38.1

7 Loans

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Unsecured (at amortised cost)			
Term loans		34,131.96	30,503.07
Add: interest accrued but not due on Loans		1,244.09	617.30
Less: processing fee income deferment		(360.49)	(193.54)
Total (gross)		35,015.56	30,926.83
Less: impairment loss allowance	41.8	(1,127.87)	(1,201.81)
		33,887.69	29,725.02

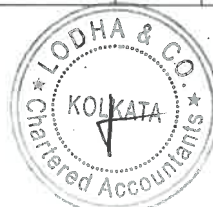
7.1 Region wise details

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2021
a) Loans in India			
- Public sector		-	-
- Others		35,015.56	30,945.77
b) Loan outside India		-	-
Gross loans		35,015.56	30,945.77
Less: Impairment loss allowance		(1,127.87)	(1,201.81)
Net loans		33,887.69	29,743.96

8 Other financial assets

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on term deposit		0.88	0.89
Security deposits		81.31	80.53
Security deposits with non-banking financial companies	8.1	2,561.91	93.56
Advance to employees		3.59	5.29
Other receivables	8.2	167.60	109.55
Total		2,815.29	289.82

8.1 Security deposits with non-banking financial companies are under lien against their respective borrowings.



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8.2 Other receivables

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Insurance premium receivable from members		107.81	101.32
Insurance claim receivable		0.82	0.31
Government grant receivables	8.3	41.82	-
Surplus in gratuity fund	37	10.68	-
Others		6.47	7.92
		167.60	109.55

- 8.3 The company is eligible to receive financial assistance from government authorities under National Apprenticeship Training Scheme (NATS) notified vide notice dated July 05, 2022. Under the said scheme 50% of the prescribed rates of stipend paid to the apprentices can be claimed subject to conditions notified under the notice. Accordingly, ₹ 60.59 (previous year: Nil) has been recognised as income under "Other income" during the year ended March 31, 2023.

9 Current tax assets (net)

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Advance income tax (including TDS receivable)		2,008.16	1,946.33
Less: provision for taxation		(1,790.80)	(1,790.80)
		217.36	155.53

10 Deferred tax assets (net)

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Tax effect on Items constituting deferred tax assets:			
Property, plant and equipment and other intangible assets		11.41	4.74
Financial assets at amortised cost		2.06	44.04
Provision for impairment loss allowance		336.35	284.65
Disallowance under section 43B of the Income Tax Act, 1961		22.25	88.47
Carried forward losses		423.37	478.53
Total deferred tax assets		795.44	900.43
Tax effect on Items constituting deferred tax liabilities:			
Financial liabilities at amortised cost		(1.98)	(47.90)
Total deferred tax liabilities		(1.98)	(47.90)
Deferred tax assets (net)		793.46	852.53

10.1 Movement in deferred tax assets and liabilities for the year ended March 31, 2023:

Particulars	As at March 31, 2022	Recognised in profit or loss	Recognized in other comprehensive income	As at March 31, 2023
Deferred tax assets for deductible temporary differences on:				
Property, plant and equipment and other intangible assets	4.74	6.67	-	11.41
Financial assets at amortised cost	44.04	(41.98)	-	2.06
Provision for impairment loss allowance	284.65	51.70	-	336.35
Disallowance under section 43B of the Income Tax Act, 1961	88.47	(68.10)	1.88	22.25
Carried forward losses	478.53	(55.16)	-	423.37
Total deferred tax assets	900.43	(106.87)	1.88	795.44
Deferred tax liabilities for taxable temporary differences on:				
Financial liabilities at amortised cost	(47.90)	45.92	-	(1.98)
Total deferred tax liabilities	(47.90)	45.92	-	(1.98)
Deferred tax assets (net)	852.53	(60.95)	1.88	793.46

10.2 Movement in deferred tax assets and liabilities for the 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 deferred tax assets	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 deferred tax liabilities	(46.66)	(1.24)	-	(47.90)
Deferred tax assets (net)	1,002.39	(149.35)	(0.51)	852.53



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(All amount in ₹ lakhs, unless otherwise stated)

11 Property, plant and equipment

Particulars	Computer	Furniture and fixtures	Office equipment	Vehicles	Total
Gross block					
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					
As at March 31, 2022	90.03	47.89	52.14	14.47	204.53
Additions	7.48	0.35	1.08	-	8.91
Disposal	0.69	-	-	-	0.69
Other Adjustments	0.17	0.78	(0.76)	-	0.19
As at March 31, 2023	96.65	47.46	53.98	14.47	212.56
Accumulated depreciation					
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	-	-	-	-	-
As at March 31, 2022	73.83	19.63	38.04	6.83	138.33
Charge for the year	9.04	16.53	8.95	1.87	36.39
Disposal/ Other adjustments	0.67	-	-	-	0.67
As at March 31, 2023	82.20	36.16	46.99	8.70	174.05
Net block					
As at March 31, 2021	28.70	32.49	21.56	9.51	92.26
As at March 31, 2022	16.20	28.26	14.10	7.64	66.20
As at March 31, 2023	14.45	11.30	6.99	5.77	38.51

11.1 Other adjustments represents reclassification of assets during the conduct of physical verification during the year.

12 Other intangible assets

Particulars	Computer software	Total
Gross block		
As at March 31, 2021	61.20	61.20
Additions	5.45	5.45
Disposal	-	-
Other adjustments	-	-
As at March 31, 2022	66.65	66.65
Additions	10.33	10.33
Disposal	5.73	5.73
Other adjustments	(0.19)	(0.19)
As at March 31, 2023	71.44	71.44
Accumulated amortization		
As at March 31, 2021	31.72	31.72
Charge for the year	9.14	9.14
Disposal/ Other adjustments	-	-
As at March 31, 2022	40.86	40.86
Charge for the year	10.77	10.77
Disposal/ Other adjustments	2.97	2.97
As at March 31, 2023	48.66	48.66
Net block		
As at March 31, 2021	29.48	29.48
As at March 31, 2022	25.79	25.79
As at March 31, 2023	22.78	22.78

12.1 Other adjustments represents reclassification of assets during the conduct of physical verification of tangible assets during the year.

13 Other non-financial assets

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Advance to vendors		2.57	12.28
Prepaid expenses		11.31	7.67
Balance with government authorities		59.31	53.85
Other advances		-	0.45
Total		73.19	74.25



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(All amount in ₹ lakhs, unless otherwise stated)

14 Trade payables

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Trade payables	14.1		
(i) Total outstanding dues of micro and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		7.39	14.71
		7.39	14.71

14.1 Trade payables ageing schedule as on March 31, 2023

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) Total outstanding dues of micro and small enterprises (Undisputed)	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises (Undisputed)	7.39	-	-	-	7.39
(iii) Total outstanding dues of micro and small enterprises (Disputed)	-	-	-	-	-
(iv) Total outstanding dues of creditors other than micro and small enterprises (Disputed)	-	-	-	-	-

Trade payables ageing 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) Total outstanding dues of micro and small enterprises (Undisputed)	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises (Undisputed)	11.29	3.42	-	-	14.71
(iii) Total outstanding dues of micro and small enterprises (Disputed)	-	-	-	-	-
(iv) Total outstanding dues of creditors other than micro and small enterprises (Disputed)	-	-	-	-	-

14.2 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, 2023 are as under:

Description	As at March 31, 2023	As at March 31, 2022
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	-	-

15 Debt securities

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
At amortised cost			
Non convertible debentures- listed (secured)	15.1	1,929.31	4,304.74
		1,929.31	4,304.74

15.1 Includes interest accrued ₹ 4.31 (Previous year: ₹ 104.74)

15.2 Redemption details of debt securities

Particulars	Last payment date	As at March 31, 2023	As at March 31, 2022
12.7156% Microfinance Initiative Fund Asia	October 23, 2023	1,929.31	2,279.86
13.0465% Blue Orchard Microfinance Fund	October 29, 2022	-	1,013.24
13.0465% Japan Asean Women Empowerment Fund	October 29, 2022	-	1,011.64
		1,929.31	4,304.74



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Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

15.3 Security details

The debenture is secured against the book debt of the company. The asset coverage required to be maintained at all the time during the tenure of the debenture is 105%.

15.4 Repayment schedule

The debenture will be repaid through monthly instalment of ₹ 275.00 starting from the month of March 2023.

- 15.5 In the month of March 2023, company with the consent of the debenture holder, Microfinance Initiative for Asia (MIFA) Debt Fund SA, SICAV- SIF, had changed the repayment schedule from the bullet repayment to be made on December 23, 2024 to monthly instalments ending in October 23, 2023. The applicable interest rate was also changed from 13% to 12.7156%.

15.6 Region wise details

Particulars	As at March 31, 2023	As at March 31, 2022
a) Loans in India	-	-
b) Loans outside India	1,929.31	4,304.74
Total debt securities	1,929.31	4,304.74

16 Borrowings (other than debt securities)

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
At amortised cost			
Term loans (Secured)			
From banks	16.2 & 16.4	18,265.40	22,548.42
From non banking financial companies	16.3 & 16.4	12,264.07	1,727.04
SubTotal		30,529.47	24,275.46
Less: Processing fees deferment		(513.78)	(283.43)
		30,015.69	23,992.03

16.1 Region wise details

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
a) Term loans in India		30,529.47	24,275.46
b) Term loans outside India		-	-
Gross Loans		30,529.47	24,275.46
Less: Processing fees deferment		(513.78)	(283.43)
Net Loans		30,015.69	23,992.03



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Notes to the Financial Statements as at and for the Year ended March 31, 2023

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Terms and conditions of long term borrowings

	Particulars	Refer note no.	2022-23	2021-22	Maturity	No. of Installments	Installment value	Repayment term	Rate of interest effective as on March 31, 2023
16.2	Rupee Loan from Banks								
i.	Bank of Baroda Term Loan No. 1	16.4 (a)	395.83	645.83	Oct-24	19	20.83/ Monthly	Apr'23 - Oct'24	1 YR MCLR + 100 BPS (Effective 9.55%)
ii.	Bank of Maharashtra Term Loan No. 2	16.4 (b)	1,932.99	3,207.50	Sep-24	18	106.10/ Monthly	Apr'23 - Sept'24	1 YR MCLR + 200 BPS (Effective 9.30%)
iii.	Canara Bank Term Loan No. - 1	16.4 (a)	56.29	226.10	Jul-23	4	14.07/ Monthly	Apr'23 - Jul'23	1 YR MCLR + 410 BPS (Effective 11.40%)
	Term Loan No. - 2	16.4 (a)	1,333.33	2,333.33	Jul-24	16	83.33/ Monthly	Apr'23 - Jul'24	1 YR MCLR + 200 BPS (Effective 9.35%)
iv.	IDBI Bank Term Loan No. 4	16.4 (c)	75.71	100.03	Sep-24	18	4.16/ Monthly	Apr-23 - Sept'24	1 YR MCLR + 385 BPS (Effective 12.35%)
v.	IDFC First Bank Term Loan No. 4		-	210.90	Jul-22				
	Term Loan No. 5		-	177.28	Jul-22				
vi.	Indian Bank Term Loan No. 1		-	456.63	Mar-23				
vii.	Indian Overseas Bank Term Loan No. 1	16.4 (d)	600.00	1,001.21	Mar-24	12	50.00/ Monthly	Apr'23 - Mar'24	1 YR MCLR + 310 BPS (Effective 10.55%)
	Term Loan No. 2	16.4 (e)	600.00	1,000.90	Mar-24	12	50.00/ Monthly	Apr'23 - Mar'24	1 YR MCLR + 310 BPS (Effective 10.55%)
viii.	Jana Small Finance Bank Term Loan No. 1	16.4 (f)	828.54	2,340.02	Sep-23	6	141.88/ Monthly (EMI)	Apr'23 - Sept'23	12.47%
ix.	MUDRA Term Loan No. 1		-	715.52	Jan-23				
x.	NABARD Term Loan No. 1		-	1,250.00	Sep-22				
xi.	Punjab National Bank Term Loan No. 1	16.4 (g)	1,803.03	3,193.75	Sep-24	18	106.06/ Monthly	Apr'23 - Sept'24	1 YR MCLR + 200 BPS (Effective 9.30%)
	Term Loan No. 1A (trf from Oriental Bank of Commerce)	16.4 (h)	599.75	938.26	Dec-24	20	29.98/ Monthly	Apr'23 - Dec'24	1 YR MCLR + 465 BPS (Effective 9.80%)
xii.	State Bank of India Term Loan No. 3		-	75.13	May-22				
	Term Loan No. 4	16.4 (i)	112.32	1,187.83	May-23	2	89.58/ Monthly	Apr'23 - May'23	1 YR MCLR + 250 BPS (Effective 11.65%)
	Term Loan No. 5	16.4 (j)	2,038.33	2,999.98	Dec-24	33	90.91/ Monthly	Apr'23 - Dec'24	1 YR MCLR + 475 BPS (Effective 11.65%)
	Term Loan No. 6	16.4 (k)	3,753.83	-	Nov-25	32	62.98/ Monthly	Apr'23 - Nov'25	6 Month MCLR + 400 BPS (Effective 11.65%)
xiii.	UCO Bank Term Loan No. 3	16.4 (l)	56.15	488.22	Jun-23	3	35.47/ Monthly (EMI)	Apr'23 - Jun'23	1 YR MCLR + 315 BPS (Effective 11.25%)
	Term Loan No. 4	16.4 (m)	731.17	-	Feb-26	35	25.99/ Monthly (EMI)	Apr'23-Feb'26	1 YR MCLR + 320 BPS (Effective 11.30%)
xiv.	EASF Small Finance Bank Term Loan No. 2	16.4 (n)	500.00	-	Jan-25	20	28.35/ Monthly (EMI)	Jun'23 - Jan'25	14.25%
xv.	Dhanalakshmi Term Loan No. 1	16.4 (o)	500.14	-	Mar-26	34	41.67/ Quarterly (Equated Quarterly Installments)	Jun'23 - Mar'26	1 YR MCLR + 130 BPS (Effective 10.50%)
xvi.	UNION Bank Term Loan No. 1	16.4 (p)	484.84	-	Nov-25	32	15.15/ Quarterly (Equated Quarterly Installments)	Apr'23-Nov'25	1 YR MCLR + 275 BPS (Effective 11.00%)
xvii.	ICICI Bank Term Loan No. 1	16.4 (q)	1,500.55	-	Sep-24	17	88.24/ Month	May'23 - Sep'24	1 YR MCLR + 475 BPS (Effective 13.50%)
xviii.	CSB Term Loan No. 1	16.4 (af)	181.30	-	Apr-23	1	181.30/ Month	Apr'23	8.00%
	Term Loan No. 2		181.30	-		1	181.30/ Month		
	Sub-Total (A)		18,265.40	22,548.42					



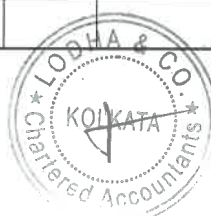
JAGARAN MICROFIN PRIVATE LIMITED

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Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

	Particulars	Refer note no.	2022-23	2021-22	Maturity	No. of Installments	Installment value	Repayment term	Rate of interest effective as on March 31, 2023
16.3	Rupee Loan from Non Banking Finance Company								
i.	Eclear Leasing and Finance Private Limited Term Loan - Tranche - 1		-	0.02					
ii.	Grow Money Capital Private Limited Term Loan No. 1 - Tranche -1 Term Loan No. 1 - Tranche -2	16.4 (r)	213.78 250.36	12.01 -	Jun-24 Oct-24	3 18	15.57/ Monthly (EMI) 15.57/ Monthly (EMI)	Apr'23 - Jun'23 Apr'23 - Oct'24	14.75% 14.75%
iii.	Habitat Microbuild India Housing Finance Company Limited Term Loan No. 3 Term Loan No. 2 Term Loan No. 1	16.4 (s)	32.98 - -	122.79 80.08 16.78	Jul-23 Jan-23 May-22	4	8.49/ Monthly (EMI)	Apr'23 - Jul'23	14.75%
iv.	KKR India Financial Services Ltd. Term Loan No. 3		-	162.27	Mar-23				
v.	MAS Financial Services Limited Term Loan - 58 & 59		-	293.84	Oct-22				
vi.	Nabakishan Finance Limited Term Loan No. 2 Term Loan No. 1	16.4 (t)	41.34 -	207.96 246.37	Jul-23 Aug-22	1	41.67/ Quarterly	Apr'23 - Jul'23	14.25%
vii.	Saidham Mercantile Private Limited Term Loan No. 1	16.4 (u)	107.68	501.59	Jun-23	3	36.65/ Monthly (EMI)	Apr'23 - Jun'23	15.00%
viii.	Western Capital Advisory Pvt. Ltd. Term Loan No. 2		-	83.33	Jun-22				
ix.	Ananya Finance for Inclusive Growth (P) Limited Term Loan No. 6	16.4 (v)	218.75	-	Dec-24	21	10.42/ Monthly (EMI)	Apr'23 - Dec'24	16.25%
x.	Mannaveeya Development & Finance Limited Term Loan No. 4	16.4 (w)	813.10	-	Dec-24	21	62.50/ Monthly (EMI)	Apr'23 - Dec'24	15.00%
xi.	Nabsamrudhhi Financial Limited Term Loan No. 4	16.4 (x)	863.54	-	Sep-25	30	34.91/ Monthly (EMI)	Apr'23 - Sep'25	15.50%
xii.	M K VENTURES Capital Limited Term Loan No. 1	16.4 (y)	2,507.97	-	Sep-24	8 4 6	234.38/ Month 93.75/ Month 41.67/ Month	Apr'23- Sep'24	11.75%
xiii.	Electronica Finance Limited Term Loan No. 2	16.4 (z)	211.49	-	Jul-24	16	14.51/ Monthly (EMI)	Apr'23- Jul'24	14.75%
xiv.	USHA Financial Services Ltd. Term Loan No. 1	16.4 (aa)	388.58	-	Feb-25	23	19.54/ Monthly (EMI)	Apr'23- Feb'25	15.75%
xv.	Blacksoil Capital Pvt. Ltd. Term Loan No. 1	16.4 (ab)	502.03	-	Mar-25	24	20.83/ Monthly	Apr'23- Mar'25	15.00%
xvi.	Shine Star Build Cap Term Loan No. 3 -Tranche - 1 Term Loan No. 3 -Tranche - 2 Term Loan No. 3 -Tranche - 3 Term Loan No. 4 - Tranche - 1 Term Loan No. 4 - Tranche - 2 Term Loan No. 4 - Tranche - 3 Term Loan No. 5 - Tranche - 1 Term Loan No. 5 - Tranche - 2 (a) Term Loan No. 5 - Tranche - 2 (b)	16.4 (ac)	347.07 346.35 457.95 531.45 625.94 722.80 812.81 453.47 504.32	- - - - - - - - -	May-23 Jun-23 Jul-23 Nov-23 Dec-23 Dec-23 Aug-24 Sep-24 Sep-24	2 3 4 3 4 4 5 4 6 6 7 4 4 4 6	177.43/Monthly (EMI) 118.29/Monthly (EMI) 118.29/Monthly (EMI) 93.75/ Month 62.50/ Month 93.75/ Month 62.50/ Month 93.75/ Month 62.50/ Month 93.75/ Month 37.50/ Month 16.67/ Month 46.88/ Month 18.75/ Month 8.33/ Month 46.88/ Month 18.75/ Month 8.33/ Month	Apr'23- May'23 Apr'23-Jun'23 Apr'23-Jul'23 Apr'23- Nov'23 Apr'23-Dec'23 Apr'23-Dec'23 Apr'23- Aug'24 Apr'23-Sep'24 Apr'23-Sep'24	15.25% 15.25% 15.25% 15.25% 15.25% 15.25% 15.25% 15.25% 15.25% 15.25% 15.25% 15.25% 15.25%
xvii.	NABFINS Term Loan No. 4	16.4 (ae)	806.31	-	Mar-25	24	38.94/ Monthly (EMI)	Apr'23- Mar'25	16.00%
xviii.	Ananya Finance: Co-Lending Term Loan Tranche - 1 Tranche - 2 Tranche - 3 Tranche - 4 Tranche - 5 Tranche - 6 Tranche - 7 Tranche - 8 Tranche - 9 Tranche - 10 Tranche - 11 Tranche - 12	16.4 (v)	0.83 8.33 26.56 18.75 37.50 39.59 62.50 41.67 62.50 88.89 70.83 46.05	- - - - - - - - - - - -	Jul-24 Jul-24 Aug-24 Sep-24 Sep-24 Oct-24 Nov-24 Jun-24 Jun-24 Jul-24 Aug-24 Aug-24	16 16 17 18 18 19 20 21 21 22 23 23	0.05/ Month 0.52/ Month 1.56/ Month 1.04/ Month 2.08/ Month 2.08/ Month 3.13/ Month 2.78/ Month 4.17/ Month 5.56/ Month 4.17/ Month 2.71/ Month	Apr'23- Jul'24 Apr'23-Jul'24 Apr'23- Aug'24 Apr'23- Sep'24 Apr'23- Sep'24 Apr'23- Oct'24 Apr'23- Nov'24 Apr'23- Jun'24 Apr'23- Jun'24 Apr'23- Jul'24 Apr'23- Aug'24 Apr'23- Aug'24	16.25% 16.25% 16.25% 16.25% 16.25% 16.25% 16.25% 16.25% 16.25% 16.25% 16.25% 16.25%
	Sub-Total (B)		12,264.07	1,727.04					
	Total-long term borrowings (A+B)		30,529.47	24,275.46					



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16.4 Details of security given for the loan

- a. Standard book debts of the company to the extent of 110% of outstanding loan. Collaterally secured with 10% of loan amount by way of term deposit along with interest accrued on it and corporate guarantee by M/s GTFS Multi Services Limited.
- b. Exclusive charge by way of Hypothecation of standard receivables of the company to the extent of 1.10 times of outstanding loan.
- c. Exclusive charge by way of Hypothecation of book debts with 10% margin. Collaterally secured with 10% of loan amount by way of term deposit with IDBI bank along with interest accrued on it. Post dated cheques (2PDC).
- d. Hypothecation of standard book debts created out of bank finance to the extent of 111% of prime Security. Collaterally secured with Fixed deposit to the tune of 18% of sanctioned limit.
- e. 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.
- f. An exclusive and first ranking (floating) charge by way of hypothecation over the receivables. A demand promissory note and a letter of community. 75% of sanctioned amount guaranteed by NCGTC under CGSMFI. 25% of sanctioned amount guaranteed by holding company M/s GTFS Multi Services Limited 5% of the total credit facilities sanctioned in the form of lien marked term deposits with the bank.
- g. Exclusive charge by way of Hypothecation of standard receivables of the company to the extent of 1.10 times of outstanding loan. NCGTC guarantee of 75% of loan amount and corporate guarantee of M/s GTFS Multi Services Limited.
- h. 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% - 20% of the loan amount by way of term deposit along with the interest accrued thereon.
- i. Book debts created out of the term loan availed. Collaterally secured with 10% of the term loan limit. Third party guarantee by M/s GTFS Multi Services Limited.
- j. Hypothecation of book debts. Collateral security of bank deposits of Rs. 776. Guarantee by holding company M/s GTFS Multi Services Limited.
- k. Personal guarantees of promoter directors to be released after 1 year if PAR improved to 5%. Hypothecation of book debts. Collateral security of bank deposits of Rs. 850. Guarantee by holding company M/s GTFS Multi Services Limited.
- l. Exclusive charge on specific Current assets created out of UCO Bank Finance. Exclusive lien over 20% of the term loan as term deposits. Corporate guarantee by M/s GTFS Multi Services
- m. Exclusive charge on specific receivables created out of UCO Bank Finance, should be exclusively hypothecated to UCO Bank. Security cover should be minimum 120% of the exposure at any time. Exclusive lien over 10% of the entire loan amount as cash collateral i.e. Rs. 75 before disbursement and to be continued till repayment as Collateral. Corporate Guarantee of M/s GTFS Multi Services Limited.
- n. First and Exclusive charge of present and future loan receivables (Net of NPA / Overdue receivables, Financial Charges, Other chaees, etc.) with 1.10x times of exposure created out of our funding. Cash Collateral of 10% on sanctioned limit by way FD kept under lien with ESAF SFB. Corporate Guarantee of M/s GTFS Multi Services Limited. Cheques towards the loan amount to
- o. Exclusive hypothecation of book debts to the extent of min 1.10 times of loan principal outstanding. Corporate guarantee of M/s GTFS Multi Services Limited.
- p. Book debts (Standard loans receivables hypothecated exclusively to our bank against TL Facility). Proposed FDR (20% of fresh TL) as collateral.
- q. Exclusive charge by the way of hypothecation of book debts arising out of the Facility shall be created in favour of ICICI Bank. The hypothecated assets must cover at least 110% of the amount outstanding under the Facility. GTFS Multi Services Limited, a majority shareholders in the Borrower shall be providing a Corporate Guarantee in favour of ICICI Bank to secure the Facility.
- r. Exclusive charge on receivables covering 110% of the outstanding loan amount at any point of time. Issue of Three undated cheques of the company for the outstanding loan amount. Issue of six post-dated cheques of the company for the repayment of 1st 6 instalment and submission of 4 copies of NACH for the repayment of instalment. 10% of the Loan Amount shall be placed as a security deposit for the full tenure of the loan.
- s. 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 on a continuing basis. Only standard assets will be considered for arriving at the value of underlying pool of assets.
- t. 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.
- u. 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.
- v. 5% security Deposit in form of FLDG. Hypothecation on all book debts arising out the loan from this facility.
- w. Enforceable promissory notes covering 100% of total amount of capital and interest outstanding at all times. Hypothecation of book debts of borrowers on portfolio of grade A loans with a constant value of minimum 105% of outstanding amount plus Interest having first rank and exclusive charge. Interest free FLDG of Rs. 75.
- x. Hypothecation of specific standard receivables maintaining a security cover of 1.10 times as Primary Security. 5% of sanctioned amt as cash collateral in the form of FD marked lien and Corporate Guarantee of M/s GTFS Multi Services Limited.
- y. First and exclusive charge by way of hypothecation over all the receivables of the borrower and such other assets for the security cover to the extent of 110% for the loan outstanding. The security cover must always be maintained so long as any amounts are outstanding under the facility. 20% of Loan amount to be maintained with SSBCLPL as cash collateral carrying 4% interest throughout the tenure of the loan and payable at the end of the tenure of the loan. Such amount shall be deducted upfront from the disbursement amount.
- z. Hypothecation of 100% of book debts and cash collateral of Rs. 15.
- aa. Hypothecation on book debts (exclusive charge) to the extent of 110% if the exposure created by using UFSL fund and Book debts having par more than 30 days need to be replaced. 10% of Loan amount with 7% interest as cash collateral.
- ab. First and exclusive charge on identified receivables (PAR < 30day). Minimum security cover of 1.2x to be maintained at all times. Corporate guarantee of M/s GTFS Multi Services Limited. DSRA deposit equivalent to one instalment with 4% interest.
- ac. Hypothecation over all the receivables of the borrowers and other assets for security cover to extent of 120% of total loan outstanding. Security deposit of 20% of loan to be maintained throughout the tenure of the loan.
- ad. First and exclusive charge by way of hypothecation over all the receivables of the borrower to the extent of 120% for outstanding loan (0 DPD loans). 20% of Loan Amount to be maintained with SSBCLPL (4% p.a. interest payable at the end of term).
- ae. Exclusive charge by way of hypothecation on the specific assets/book debts equal to 110% of the loan extended. 5% collateral as FD marked as lien. Corporate guarantee of M/s GTFS Multi Services Limited.
- af. Security of bank deposits amounting to Rs. 406.11



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17 Subordinated liabilities

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Unsecured (at amortised cost)			
Subordinated debt (Tier II capital)	17.1	500.42	500.42
		500.42	500.42

17.1 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 i.e., September 30, 2019.

17.2 Region wise details

Particulars	As at March 31, 2023	As at March 31, 2022
a) Term loans in India	500.42	500.42
b) Term loans outside India	-	-
Total subordinated liabilities	500.42	500.42

18 Other financial liabilities

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Employee related liabilities		179.51	167.83
Liabilities for capital goods			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2.53	-
Insurance premium payable on behalf of members		46.68	30.42
Payable to business correspondents	18.1	1,466.66	-
Outstanding liability for expenses		30.11	20.84
		1,725.49	219.09

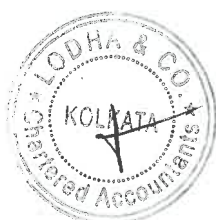
18.1 Includes ₹ 1,463.67 (previous year: Nil) collected on behalf of "Ananya Finance for Inclusive Growth Private Limited" and paid in next 2 working days after the reporting date.

19 Provisions

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Contingent provision against standard assets		81.15	70.80
Provision for compensated absence		37.96	37.31
Provision for gratuity	37	-	0.10
		119.11	108.21

20 Other non-financial liabilities

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Statutory dues		56.78	34.76
		56.78	34.76



21. Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Authorized share capital				
Equity shares of ₹ 10 each	7,50,00,000	7,500.00	7,50,00,000	7,500.00
	7,50,00,000	7,500.00	7,50,00,000	7,500.00
Issued, Subscribed and Fully Paid Up				
Equity shares of ₹ 10 each	5,12,96,200	5,129.62	4,82,96,200	4,829.62
	5,12,96,200	5,129.62	4,82,96,200	4,829.62

21.1 Reconciliation of shares outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Balance at the beginning of the year	4,82,96,200	48,29,62,000	4,82,96,200	4,829.62
Add : Issued during the year	30,00,000	3,00,00,000	-	-
Balance at the end of the period	5,12,96,200	51,29,62,000	4,82,96,200	4,829.62

21.2 Terms/ Rights attached to Equity Shares

The Company has only one class of Equity Shares having par value of ₹ 10. 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.

21.3 Shares held by the holding company

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
GTFS Multi Services Limited	3,48,15,600	67.87%	3,48,15,600	72.09%

21.4 Details of Shareholders holding more than 5% of the aggregate shares in the Company:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	% of holding	Number	% of holding
Name of the shareholders				
(a) GTFS Multi Services Limited	3,48,15,600	67.87%	3,48,15,600	72.09%
(b) Ms. Abira Majumder	47,37,900	9.24%	37,10,400	7.68%
(c) Ms. Aatreyee Majumder	40,00,000	7.80%	30,00,000	6.21%
(d) Mr. Adipta Majumder	40,00,000	7.80%	30,00,000	6.21%

21.5 Details of shares held by promoters at the beginning and at the end of the year 2023

Name of the promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% change during the year
Fully Paid-up Equity Shares of ₹10 each:					
(a) GTFS Multi Services Limited	3,48,15,600	-	3,48,15,600	67.87%	-4.22%
(b) Ms. Abira Majumder	37,10,400	10,27,500	47,37,900	9.24%	1.55%
(c) Ms. Aatreyee Majumder	30,00,000	10,00,000	40,00,000	7.80%	1.59%
(d) Mr. Adipta Majumder	30,00,000	10,00,000	40,00,000	7.80%	1.59%

Details of shares held by promoters at the beginning and at the end of the year 2022

Name of the promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% change during the year
Fully Paid-up Equity Shares of ₹10 each:					
(a) GTFS Multi Services Limited	3,48,15,600	-	3,48,15,600	72.09%	-
(b) Abira Majumder	36,95,000	15,400	37,10,400	7.68%	0.03%
(c) Aatreyee Majumder	30,00,000	-	30,00,000	6.21%	-
(d) Adipta Majumder	30,00,000	-	30,00,000	6.21%	-

21.6 No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the balance sheet date.

21.7 The company has neither allotted any equity shares against consideration other than cash nor has issued any bonus shares or has bought back any shares during the period of 5 years preceding the date at which the balance sheet is prepared.

21.8 No securities convertible into equity/ preference shares have been issued by the company during the year.

21.9 No calls remain unpaid by any director or officer of the company during the year.

21.10 No shares have been forfeited by the company.



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22. Other equity

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Securities premium	22.1		
Opening balance		855.13	855.13
Add: Received on Issue of equity shares for the year		300.00	-
Closing balance		1,155.13	855.13
Statutory reserve	22.2		
Opening balance		1,205.62	1,132.69
Add: Transferred from retained earnings		59.16	72.93
Closing balance		1,264.78	1,205.62
Retained earnings	22.3		
Opening balance		2,480.84	2,187.62
Add: Profit for the year		295.81	364.65
Add: Other comprehensive income for the year		(4.88)	1.50
Less: Amount transferred to statutory reserve		(59.16)	(72.93)
Closing balance		2,712.61	2,480.84
		5,132.52	4,541.59

Nature and purpose of reserves:

22.1 Securities premium

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

22.2 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.

22.3 Retained earnings

Retained earnings generally represents the undistributed profits/ amount of accumulated earnings of the Company. This includes other comprehensive income of ₹ (11.51) (previous year ₹ 6.63) relating to remeasurement of defined benefit plans (net of tax) which cannot be reclassified to profit or loss.



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23 Interest income

Particulars	Refer note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
On Financial assets measured at amortised cost			
Interest on loans		6,240.09	6,167.72
Interest on deposits		276.40	309.00
		6,516.49	6,476.72

24 Dividend income

Particulars	Refer note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend income		52.36	28.10
		52.36	28.10

25 Fees & commission income

Particulars	Refer note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Fees & commission income		15.10	-
		15.10	-

26 Other income

Particulars	Refer note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Government grants		60.59	-
Branding and advertisement		174.00	-
Provision no longer required written back		10.44	2,154.05
Interest income on income tax refund		-	11.17
Bad debt recovery		148.70	6.83
Miscellaneous income	26.1	13.88	61.84
		407.61	2,233.89

26 Includes liabilities no longer required written back ₹ 11.76 (Previous year ₹ 53.30).

27 Finance costs

Particulars	Refer note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings		3,114.68	2,504.58
Interest on debt securities		450.49	718.30
Interest on subordinated liabilities		85.00	84.98
Other borrowing cost		38.76	35.63
		3,688.93	3,343.49

28 Employee benefits expense

Particulars	Refer note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages		1,577.20	1,536.03
Contribution to provident and other funds	37	147.82	147.72
Staff welfare expenses		46.79	40.91
		1,771.81	1,724.66

29 Depreciation and amortisation expense

Particulars	Refer note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment		36.39	27.73
Amortisation of intangible assets		10.77	9.14
		47.16	36.87



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30 Other expenses

Particulars	Refer note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Electricity charges		29.05	22.23
Rent	30.1	372.17	360.40
Repairs & maintenance		13.42	12.84
Software maintenance		13.31	12.90
Director sitting fees		18.95	13.00
Printing & stationery		28.17	25.10
Telephone expenses		52.36	51.83
Travelling expenses		206.04	204.11
Membership fees		12.92	10.32
Professional & consultancy charges		88.47	39.02
Statutory auditors' remuneration			
- For statutory audit		13.20	12.00
- For limited review		7.95	4.50
- For certification fees		1.36	5.19
- Reimbursement of expenses		1.77	2.27
Corporate social responsibility ('CSR') Expenses	34	15.19	48.29
Training expenses		8.40	6.22
Rates & taxes		9.29	4.82
Internal audit fees		13.95	9.07
Security & contractual manpower expenses		5.82	4.41
Insurance premium paid		15.07	16.57
Bad Debts written off		201.60	2,509.21
Less: Provision for impairment loss allowance		(69.95)	(291.74)
Miscellaneous expenses		68.39	37.13
		1,126.90	3,119.69

30 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 to the Statement of Profit and Loss.



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31 Contingent liabilities and commitments (to the extent not provided for)

Particulars	Refer note no.	As at March 31, 2023	As at March 31, 2022
Contingent liabilities		Nil	Nil
Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for :		Nil	Nil

32 Related party disclosure

Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind As)- 24 on "Related Party Disclosure" are as follows:

32.1 Name of the related parties and description of relationship with whom transactions have taken place:

Name	Relationship
GTFS Multi Services Limited	Holding Company
Key Managerial Personnel (KMP)	
Mr. Dipankar Chatterjee	Non Executive Chairman
Mr. Sourav Ghosh	Managing Director
Mr. Jaydeep Ghosh	Whole Time Director and CEO
Ms. Aatreyee Majumder	Whole Time Director
Mr. Sandip Das	Non Executive Non Independent Director
Mr. Rana Som	Nominee Director (Upto September 20, 2021)
Mr. Rana Som	Independent Director (w.e.f. September 28, 2021)
Mr. Subrata Gupta	Independent Director
Mr. Shanta Ghosh	Independent Director (Upto February 8, 2023)
Mr. Sandip Ghose	Director (upto July 15, 2022)
Mr. Samir Kumar Barua	Director (upto July 14, 2022)
Mr. Pratip Choudhuri	Director (upto w.e.f. March 4, 2022)
Other Related Parties	
Mr. Bhabesh Majumder	Father of Ms. Aatreyee Majumder
Ms. Sona Majumder	Mother of Ms. Aatreyee Majumder
Ms. Abira Majumder	Individual having significant influence
Mr. Adipta Majumder	Individual having significant influence

32.2 Transaction with related parties

Particulars	Holding company	Key Managerial Personal	Other Related Parties
Rent and maintenance charges			
-GTFS Multi Services Limited	221.42 (218.50)	- (-)	- (-)
- Mr. Bhabesh Majumder	- (-)	- (-)	3.25 (3.36)
Remuneration			
-Mr. Sourav Ghosh	- (-)	39.50 (38.94)	- (-)
-Ms. Aatreyee Majumder	- (-)	36.74 (35.92)	- (-)
-Mr. Jaydeep Ghosh	- (-)	36.74 (35.92)	- (-)
Sitting fees			
-Mr. Samir Kumar Barua	- (-)	- (0.16)	- (-)
-Mr. Shanta Ghosh	- (-)	0.65 (2.62)	- (-)
-Mr. Pratip Chaudhuri	- (-)	- (1.91)	- (-)
-Mr. Dipankar Chatterji	- (-)	6.00 (5.34)	- (-)
-Mr. Sandip Ghose	- (-)	- (0.16)	- (-)
-Mr. Rana Som	- (-)	4.80 (3.98)	- (-)
-Mr. Subrata Gupta	- (-)	3.45 -	- (-)
-Mr. Sandip Das	- (-)	4.05 -	- (-)

Numbers in brackets represent previous year's figures



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32.3 Balance outstanding as at the end of the reporting period

Particulars	Holding company	Key Managerial Personal	Other Related Parties
Remuneration payable			
-Mr. Sourav Ghosh	- (-)	1.82 (1.37)	- (-)
-Ms. Aatreyee Majumder	- (-)	2.99 (2.16)	- (-)
-Mr. Jaydeep Ghosh	- (-)	2.31 (0.76)	- (-)
Equity share capital			
-GTFS Multi Services Private Limited	3,481.56 (3,481.56)	- (-)	- (-)
-Ms. Aatreyee Majumder	- (-)	400.00 (300.00)	- (-)
-Ms. Abira Majumder	- (-)	- (-)	473.79 (371.04)
-Mr. Adipta Majumder	- (-)	- (-)	400.00 (300.00)
-Ms. Sona Majumder	- (-)	- (-)	160.01 (160.01)
Security Deposit for Rent	69.76 (69.76)	- (-)	- (-)

Numbers in brackets represent previous year's figures

32.4 Details of remuneration paid/ payable to Key Managerial Personnel for the year ended March 31, 2023

Particulars	Mr. Sourav Ghosh	Ms. Aatreyee Majumder	Mr. Jaydeep Ghosh
Short term employee benefits			
- Basic salary	18.46	17.16	17.16
- House rent and other allowances	18.82	17.52	17.52
Post employment benefits			
- Contribution to provident fund	2.22	2.06	2.06
Total remuneration	39.50	36.74	36.74

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

* 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.

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

Particulars	Refer note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Amount used as the numerator			
Profit for the year available to equity shareholders (₹)		295.81	364.65
(b) Weighted average number of equity shares outstanding used as the denominator for computing basic and diluted earnings per share	33.1	5,01,61,953	4,82,96,200
Par value per equity Share (₹)		10.00	10.00
Basic and diluted earnings per Share (₹) [a/b]		0.58	0.76

33.1 The company does not have any dilutive potential equity share.
34 Corporate social responsibility (CSR) expenditure

In accordance to Section 135 of Companies Act 2013, the Company has incurred ₹ 15.19 lakhs (Previous year: ₹ 48.29 lakhs) 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 centre and other social security programmes.



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34.1 Details of CSR expenditure

Sl No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i)	Gross Amount required to be spent by the company during the year	20.32	42.49
(ii)	Amount spent during the year :		
	a) Construction/ acquisition of any asset		
	-in cash	-	-
	-yet to be paid in cash	-	-
	b) On purpose other than (a) above		
	-in cash	15.19	48.29
	-yet to be paid in cash	-	-
(iii)	Previous year excess spent adjusted with current year requirement to be spent	5.13	-
(iv)	Unspent amount during the year	-	-
(v)	Reason for shortfall	Not applicable	Not applicable

34.2 Details of excess amount spent

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	5.80	-
Amount required to be spent during the year	20.32	42.49
Amount spent during the year	15.19	48.29
Closing balance		
-To be carried forward for next year	0.67	5.80
-Not to be carried forward for next year	-	-

35 Registration of charges or satisfaction with Registrar of Company (ROC)

Brief description of charge or satisfaction	Location of the registrar	The period by which the charge or satisfaction had to be register	Reason for delay in registration
CSB-TL Agst FD (0161-04564259-100201-1)	ROC- Kolkata	March 29, 2023	It is a collaboration loan against fixed deposit and charge is not required to be filed moreover loan has been settled in first week of April 2023.
CSB-TL Agst FD (0161-04564259-100202-1)-	ROC- Kolkata	March 29, 2023	
MAS Financial Services Ltd._TL-58A & 58B	ROC- Kolkata	November 06, 2022	There is some tax related dispute, regarding which follow-up is going on. This will be settled soon.
MAS Financial Services Ltd._TL-58A & 58B	ROC- Kolkata	November 06, 2022	
EcLEAR Leasing and Finance Pvt Ltd	ROC- Kolkata	July 31, 2022	Follow-up is going on and this will be settled soon.
UCO T/L No. 00690610006115	ROC- Kolkata	August 17, 2020	NOC already provided but due to change in address of the Company revised NOC for CHG-4 is needed.
Electronica Finance Ltd.	ROC- Kolkata	May 01, 2022	

36 Based on information available with the company from the website of Ministry of Corporate Affairs, the company, neither had any transaction during the year ended March 31, 2023 and March 31, 2022 with companies, which have been struck off by the Registrar of Companies, nor any balance is outstanding from such companies as at the end of reporting years.



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37 Employee benefits

37.1 Defined Contribution Plan:

The Company makes contributions for eligible employees to provident fund and employee state insurance fund. Under these schemes, the company is required to contribute a specified percentage/ fixed amount of the payroll cost to fund the benefits. The contribution as specified under the law are paid to the respective fund set up by the government authority and is limited to the amount contributed and the company has no further contractual nor any constructive obligation.

Defined Contribution Plan	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to Provident Fund	92.31	91.28
Contribution to Employee State Insurance	33.30	33.71
Contribution to Gratuity	22.21	20.73

37.2 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.

a 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, 2023	As at March 31, 2022
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	105.60	92.23
Current service cost	23.11	22.13
Interest cost	6.99	6.28
Past service cost	-	-
Actuarial (gains)/ losses recognised in other comprehensive income		
- Changes in experience adjustments	6.64	6.63
- Changes in financial assumptions	(0.75)	(10.19)
Benefits settled	(19.41)	(11.48)
Obligation at the end of the year	122.18	105.60
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	105.50	81.36
Interest income on plan assets	7.69	5.86
Re-measurement- actuarial gain	-	(0.60)
Return on plan assets	(0.87)	(1.55)
Employer contributions	39.95	31.91
Benefits settled	(19.41)	(11.48)
Plan assets at the end of the year, at fair value	132.86	105.50
Net defined benefit liability	(10.68)	0.10

b Expense recognised in profit or loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	23.11	22.13
Interest cost	6.99	6.28
Net gratuity cost	30.10	28.41

c Income recognised in profit or loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income	7.69	5.86
Net gratuity income	7.69	5.86

d Re-measurement recognised in other comprehensive income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	(0.75)	(10.19)
- Changes in financial assumptions	6.64	6.63
Re-measurement of the net defined benefit asset		
Return on plan assets (greater)/ less than discount rate	0.87	1.55
Total actuarial (gain)/ loss included in OCI	6.76	(2.01)

e Plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Funds managed by insurer	100%	100%



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f Defined benefit obligation - actuarial assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.29%	7.26%
Expected return on plan asset	7.29%	7.26%
Rate of compensation increase (salary inflation)	6.00%	6.00%
Early retirement & disablement (all causes combined)	1.00%	1.00%

g 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	As at March 31, 2023			
	Increase	%	Decrease	%
Discount rate (+/- 0.5%)	110.52	-9.55%	135.41	10.82%
Future salary growth (+/- 0.5%)	135.15	10.61%	110.39	-9.65%
Attrition rate (+/- 0.5%)	122.13	-0.05%	122.24	0.05%
Mortality rate (+/- 10%)	122.27	0.07%	122.10	-0.07%
	As at 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%

h Table showing cash flow information

Particulars	As at March 31, 2023	As at March 31, 2022
Next year liability (expected)	158.56	139.76
Minimum funding requirements	17.00	27.43
Company's discretion	-	-

i Table showing maturity analysis of the defined benefit plan

Particulars	As at March 31, 2023	As at March 31, 2022
Year 1	0.95	0.80
Year 2	0.99	0.87
Year 3	1.08	0.92
Year 4	2.11	1.00
Year 5 and above	685.22	625.95
Total undiscounted payments related to past service	690.35	0.01
Less: Discount for interest	568.17	523.93
Projected benefit obligation	122.19	(0.01)

38 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.

38.1 Credit risk

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

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

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

A) Probability of default (PD)

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

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



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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.

D) The movement of expected credit loss has been disclosed in note no. 41.8

38.2 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:

38.2a 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, 2023	As at March 31, 2022
Fixed rate borrowings	16,384.94	10,543.88
Variable rate borrowings	16,574.26	18,536.74
Total borrowings*	32,959.20	29,080.62

* 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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Increase by 50 basis points	(82.87)	(92.68)	(82.87)	(92.68)
Decrease by 50 basis points	82.87	92.68	82.87	92.68

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

38.2b Liquidity risk

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

The table below summarises the carrying value and contractual cash flows of the Company's financial liabilities:

Particulars	Carrying value	Contractual cash flows		
		Less than 1 year	1 year to 5 years	Total
March 31, 2023				
Trade payables	7.39	7.39	-	7.39
Debt securities	1,929.31	1,929.31	-	1,929.31
Borrowings (other than debt securities)	30,015.69	21,054.73	9,474.74	30,529.47
Subordinated liabilities	500.42	0.42	500.00	500.42
Other financial liabilities	1,725.49	1,725.49	-	1,725.49
Total	34,178.30	24,717.34	9,974.74	34,692.08
March 31, 2022				
Trade payables	14.71	14.71	-	14.71
Debt securities	4,304.74	2,104.74	2,200.00	4,304.74
Borrowings (other than debt securities)	23,992.03	13,682.26	10,593.20	24,275.46
Subordinated liabilities	500.42	0.42	500.00	500.42
Other financial liabilities	219.09	219.09	-	219.09
Total	29,030.99	16,021.22	13,293.20	29,314.42



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Notes to the Financial Statements as at and for the Year ended March 31, 2023

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39 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, 2023		
	Within 12 Months	After 12 Months	Total
Cash and cash equivalents	2,133.33	-	2,133.33
Bank balances other than cash and cash equivalents	2,232.68	2,333.47	4,566.15
Trade receivables	68.57	-	68.57
Loans	26,266.62	7,621.07	33,887.69
Other financial assets	1,615.56	1,199.73	2,815.29
Tax assets (net)	217.36	793.46	1,010.82
Property, plant and equipment	-	38.51	38.51
Other intangible assets	-	22.78	22.78
Other non-financial assets	73.19	-	73.19

Assets	As at March 31, 2022		
	Within 12 Months	After 12 Months	Total
Cash and cash equivalents	3,055.61	-	3,055.61
Bank balances other than cash and cash equivalents	3,513.25	787.17	4,300.42
Trade receivables	-	-	-
Loans	24,699.52	5,025.50	29,725.02
Other financial assets	200.15	89.67	289.82
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	74.25	-	74.25

Liabilities	As at March 31, 2023		
	Within 12 Months	After 12 Months	Total
Trade payables	7.39	-	7.39
Debt securities	1,929.31	-	1,929.31
Borrowings (other than debt securities)	20,711.02	9,304.67	30,015.69
Subordinated liabilities	0.42	500.00	500.42
Other financial liabilities	1,725.49	-	1,725.49
Provisions	81.43	37.68	119.11
Other non-financial liabilities	56.78	-	56.78

Liabilities	As at March 31, 2022		
	Within 12 Months	After 12 Months	Total
Trade payables	11.29	3.42	14.71
Debt securities	2,104.74	2,200.00	4,304.74
Borrowings (other than debt securities)	13,625.34	10,366.69	23,992.03
Subordinated liabilities	0.42	500.00	500.42
Other financial liabilities	219.09	-	219.09
Provisions	71.18	37.03	108.21
Other non-financial liabilities	34.76	-	34.76

For the year ended March 31, 2023, all borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any, have been waived off by the lenders.

40 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.



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Notes to the Financial Statements as at and for the Year ended March 31, 2023

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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, 2023		As at March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
a) Measured at amortised cost				
i) Cash and cash equivalents	2,133.33	2,133.33	3,055.61	3,055.61
ii) Bank balances other than cash and cash equivalents	4,566.15	4,566.15	4,300.42	4,300.42
iii) Trade receivables	68.57	68.57	-	-
iv) Loans	33,887.69	33,887.69	29,725.02	29,725.02
v) Other financial assets	2,815.29	2,815.29	289.82	289.82
Sub-total	43,471.03	43,471.03	37,370.87	37,370.87
b) Measured at Fair value through profit or loss				
i) Investments	-	-	-	-
Sub-total	-	-	-	-
c) Measured at Fair value through other comprehensive income				
i) Loans	-	-	-	-
Sub-total	-	-	-	-
Total financial assets	43,471.03	43,471.03	37,370.87	37,370.87
Financial liabilities				
a) Measured at amortised cost				
i) Payables	7.39	7.39	14.71	14.71
ii) Debt securities	1,929.31	1,929.31	4,304.74	4,304.74
iii) Borrowings (other than debt securities)	30,015.69	30,015.69	23,992.03	23,992.03
iv) Subordinated debt	500.42	500.42	500.42	500.42
v) Other financial liabilities	1,725.49	1,725.49	219.09	219.09
Total financial liabilities	34,178.30	34,178.30	29,030.99	29,030.99

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

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

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.

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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41 RBI Disclosures
41.1 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	Capital funds	Total risk weighted assets	As at March 31, 2023	As at March 31, 2022	Variance
Tier I capital as a percentage of total risk weighted assets (%)	9,445.90	41,445.81	22.79%	25.20%	-9.56%
Tier II capital as a percentage of total risk weighted assets (%)	281.15	41,445.81	0.68%	1.11%	-38.89%
Total capital (%)	9,727.05	41,445.81	23.47%	26.31%	-10.80%

41.2 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.

41.3 Ratings

Particulars	Rating Agency	Ratings	Date	Valid upto	Amount
Term borrowings from banks and sub debt	Aquite	BBB	10-May-22	10-May-23	400.00 Crore
Non convertible debentures	ICRA	BB+ (Stable)	31-May-22	31-May-23	77.00 Crore

41.4 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.

41.5 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, 2023.

41.6 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.

41.7 Maturity pattern of assets and liabilities
Maturity pattern of certain items of assets and liabilities as at March 31, 2023

Particulars	Liabilities			Assets	
	Borrowings from banks and others	Market borrowings	Total	Advances	Total
Up to one Month	2,752.38	279.31	3,031.69	2,940.53	2,940.53
Over one Month to 2 Months	2,339.17	275.00	2,614.17	2,458.93	2,458.93
Over 2 Months upto 3 Months	2,206.75	275.00	2,481.75	2,468.08	2,468.08
Over 3 Months upto 4 Months	2,027.05	275.00	2,302.05	2,432.20	2,432.20
Over 4 Months upto 6 Months	3,652.18	550.00	4,202.18	5,032.26	5,032.26
Over 6 Months to 1 Year	8,077.62	275.00	8,352.62	11,228.95	11,228.95
Over 1 Year to 3 Years	9,974.74	-	9,974.74	7,571.01	7,571.01
Over 3 Years to 5 Years	-	-	-	-	-
Over 5 Years	-	-	-	-	-
Total	31,029.89	1,929.31	32,959.20	34,131.96	34,131.96

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

2. The maturity pattern of advances has been presented considering the effect of subsequent moratorium provided to the borrowers after the balance sheet date.

Maturity pattern of certain items of assets and liabilities as at March 31, 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	2,240.27	2,240.27
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	30,503.07	30,503.07

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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Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

41.8 Movement of loan and estimated credit loss (ECL)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets opening	25,769.83	3,520.96	1,212.28	30,503.07	16,557.19	16,515.13	2,687.34	35,759.66
New Assets originated during the year, netted off for repayments and derecognised portfolio	5,403.48	(1,485.18)	(87.81)	3,830.49	3,480.75	(5,743.76)	(472.33)	(2,735.34)
Assets written off during the year	(10.75)	(4.46)	(186.39)	(201.60)	(64.12)	(2,387.82)	(69.31)	(2,521.25)
Movement between stages								
Transfer to Stage 1	1,685.94	(1,733.17)	47.22	-	5,796.01	(5,761.26)	(34.75)	-
Transfer to Stage 2	(629.16)	631.34	(2.17)	-	898.67	898.67	(898.67)	-
Transfer to Stage 3	(691.41)	-	691.41	-	-	-	-	-
Gross carrying value of assets closing balance	31,527.93	929.49	1,674.54	34,131.96	25,769.83	3,520.96	1,212.28	30,503.07

Particulars	As At March 31, 2023				As At March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	70.81	301.79	900.01	1,272.61	47.53	1,651.51	2,035.65	3,734.69
New assets originated during the year, netted off for repayments and derecognised portfolio	-	(10.44)	-	(10.44)	-	(118.39)	(2,035.65)	(2,154.04)
Assets written off during the year	(0.06)	(0.55)	(52.54)	(53.15)	(0.17)	(238.79)	(69.08)	(308.04)
Movement between Stages								
Transfer to Stage 1	11.68	(11.68)	-	-	23.45	(23.45)	-	-
Transfer to Stage 2	-	-	-	-	(0.00)	-	-	(0.00)
Transfer to Stage 3	-	(184.48)	184.48	-	(0.00)	(969.09)	969.09	(0.00)
ECL allowance - closing balance	82.43	94.64	1,031.95	1,209.02	70.81	301.79	900.01	1,272.61

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

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	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	31,527.93	78.82	31,449.11	-	78.82
	Stage 2	929.49	2.32	927.17	-	2.32
Subtotal		32,457.42	81.14	32,376.28	-	81.14
Non performing assets (NPA)						
Substandard	Stage 3	1,674.54	1,127.88	546.66	1,114.85	13.03
Subtotal		1,674.54	1,127.88	546.66	1,114.85	13.03
Other items such as guarantees, loan commitments etc. which are in the scope of IndAS 109 but not covered under IRACP	NA			NA		
Total	Stage 1	31,527.93	78.82	31,449.11	-	78.82
	Stage 2	929.49	2.32	927.17	-	2.32
	Stage 3	1,674.54	1,127.88	546.66	1,114.85	13.03

* As per IRACP 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.



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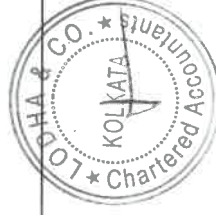
Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

41.9 Notes to the balance sheet of a non deposit taking Non Banking Financial Company as required under RBI master direction DOR.CRE.NO.60/03.10.001/2021-22 dated October 22, 2021 on "Scale Based Regulation (SBR); A revised regulatory framework"

A) Sectoral exposure

Sectors	Current year			Previous year		
	Total exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of gross NPAs to total exposure in that sector	Total exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of gross NPAs to total exposure in that sector
1. Agriculture and allied activities	13,029.20	504.95	3.88%	11,501.68	441.21	3.84%
Sectors	Current Year			Previous Year		
	Total exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of gross NPAs to total exposure in that sector	Total exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of gross NPAs to total exposure in that sector
2. Industry						
i....	-	-	-	-	-	-
ii....	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total of industry (i+ii+...+others)	-	-	-	-	-	-
3. Services						
i....	-	-	-	-	-	-
ii....	-	-	-	-	-	-
Others	4,509.86	151.63	3.36%	3,628.09	126.76	2.56%
Total of services (i+ii+...+others)	4,509.86	151.63	3.36%	3,628.09	126.76	2.56%
4. Personal loans						
i....	-	-	-	-	-	-
ii....	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total of personal loans (i+ii+...+others)	-	-	-	-	-	-
5. Others, if any (please specify)	17,582.52	1,017.96	5.79%	15,373.30	842.84	5.48%



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B) Related party disclosure

Related party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Items														
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	69.76	69.76	-	-	-	-	-	-	-	-	-	-	69.76	69.76
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	3,702.98	3,637.06	-	-	-	-	531.93	424.95	3.25	3.36	873.79	671.04	5,111.95	4,736.41



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C) Disclosure of complaints

Top five grounds of complaints received by Jagaran Microfin Private Limited from customers

Sl No.	Grounds of complaints (i.e complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase in the number of complaints received over the previous year	% decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days.
	1	2	3		4	5	6
Current year (FY 2022-2023)							
1	Updation/Dispute on data in credit information report	Nil	4	33.33%	-	Nil	Nil
2	Pre-closure of loan accounts	Nil	2	No Change		Nil	Nil
3	Difficulty in operation of accounts	Nil	1	No Change		Nil	Nil
4	Overlending	Nil	0	-	100%	Nil	Nil
Total			7				
Previous year (FY 2021-2022)							
1	Updation/Dispute on data in credit information report	Nil	3	-	57.14%	Nil	Nil
2	Pre-closure of loan accounts	Nil	2	100%	-	Nil	Nil
3	Difficulty in operation of accounts	Nil	1	-	80%	Nil	Nil
4	Overlending	Nil	1	100%	-	Nil	Nil
Total			7				



Section II
(Applicable for annual financial statements of NBFC-ML and NBFC-UL)

D) Corporate governance

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Paragraph C of Schedule V - Annual Report) as amended from time to time, specifies disclosures to be made in the section on the corporate governance of the Annual Report. With respect to the corporate governance report, non-listed NBFCs should also endeavour to make full disclosure in accordance with the requirement of SEBI (LODR) Regulation, 2015. Non-listed NBFCs at the minimum should disclose following under the corporate governance section of the annual report.

Composition of the Board

Sl No	Name of Director	Director Since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	No. of Board meetings		No. of other Directorships	Remuneration			No of Shares held in convertible Instruments held in NBFC
					Held	Attended		Salary	Sitting Fees	Commission	
1	Mr. Dipankar Chatterjee	2016	Chairman	00031256	6	6	10	-	6.00	NIL	NIL
2	Mr. Rana Som	2021	Independent	00352904	6	6	5	-	4.80	NIL	NIL
3	Mr. Subrata Gupta	2022	Independent	06833844	6	6	1	-	3.45	NIL	NIL
4	Mr. Sandip Das	2019	Non-Executive	09345602	6	6	2	-	4.05	NIL	NIL
5	Mr. Jaydeep Ghosh	2019	Executive	07475085	6	6	0	36.74	-	NIL	NIL
6	Mr. Sourav Ghosh	2019	Executive	08154243	6	6	0	39.50	-	NIL	NIL
7	Ms. Aatreyee Majumder	2019	Executive	08363766	6	6	0	36.74	-	NIL	NIL

Details of change in composition of the Board during the current and previous financial year

Sl No	Name of Director	Capacity	Nature of change	Effective date
1	Mr. Subrata Gupta	Independent	Appointment	11.04.2022
2	Mr. Sandip Das	Non-Executive	Appointment	11.04.2022
3	Ms. Shanta Ghosh	Independent	Resignation	09.02.2023

Where an independent director resigns before expiry of her/ his term, the reasons for resignation as given by her/ him shall be disclosed - Ms Shanta Ghosh has resigned from the position of Independent Director from the Company's Board of Directors and Committee/s with effect from February 09, 2023 in order to reduce workload, preoccupation with other companies and with certain NGOs and there are no other material reasons for her resignation other than those aforesaid.

Details of any relationship amongst the directors inter-se shall be disclosed - NA

Committees of the Board and their composition

Audit Committee

Sl No	Name of Director	Member of committee since	Capacity	Number of meetings of the committee		No of shares held in NBFC
				Held	Attended	
1	Mr. Rana Som	2021	Chairperson	5	5	NIL
2	Mr. Dipankar Chatterjee	2016	Independent	5	5	NIL
3	Mr. Sandip Das	2022	Non-Executive	5	5	NIL

Brief terms of reference of Audit Committee:

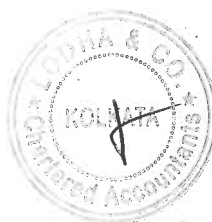
- To review the Financial Reporting, ensuring the correctness & suitability of Financial Statements.
- Recommendation of Internal and External Auditors, scope of their Audits and Audit reports to the Board.
- To review the functioning of the whistle-blower mechanism.
- Reviewing and scrutinizing with management the periodic financial statements/results before submission to the Board, focusing primarily on:
 - matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section (3) of section 134 of the Companies Act, 2013;
 - any changes in accounting policies and practices;
 - any related party transaction
 - the adequacy of internal audit function
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- To ensure that an Information System Audit of the internal systems and processes is conducted yearly to assess operational risks faced by the Company.
- To carry out any other function as is mentioned in the terms of reference of the Audit Committee.

Nomination and Remuneration Committee

Sl No	Name of Director	Member of committee since	Capacity	Number of meetings of the committee		No of shares held in NBFC
				Held	Attended	
1	Mr. Rana Som	2021	Chairperson	4	4	NIL
2	Mr. Dipankar Chatterjee	2016	Independent	4	4	NIL
3	Mr. Sandip Das	2022	Non-Executive	4	4	NIL

Brief Terms of reference of Remuneration and Nomination Committee:

- To evaluate the skill sets, knowledge and experience required before the appointment of Independent Director and on the basis of such evaluation, prepare a description of the role and capabilities of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description; To review the Financial Reporting, ensuring the correctness & suitability of Financial Statements;
- To formulate the criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors; To review the functioning of the whistle-blower mechanism;
- To extend or to continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- To identify those who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors for their appointment and removal;
- To oversee the framing, review and implementation of compensation policy of the company with the approval of the board;
- To work in close coordination with Risk Management Committee of the company to achieve effective alignment between compensation and risks;
- To ensure 'fit and proper' status of proposed/existing directors and that there is no conflict of interest in appointment of directors on Board of the company, KMP and senior management;



JAGARAN MICROFIN PRIVATE LIMITED
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Notes to the Financial Statements as at and for the Year ended March 31, 2023
Risk Management Committee

Sl No	Name of Director	Member of committee since	Capacity	Number of meetings of the committee		No of shares held in NBFC
				Held	Attended	
1	Mr. Subrata Gupta	2022	Chairperson	1	1	NIL
2	Mr. Rana Som	2021	Independent	1	1	NIL
3	Mr. Dipankar Chatterjee	2021	Independent	1	1	NIL

Brief terms of reference of Risk Management Committee:

a) Formulate a detailed risk management policy which shall include:

- A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
- Measures for risk mitigation including systems and processes for internal control of identified risks.
- Business continuity plan.

b) Review the major risk management procedures followed at Company in regard to Operational and Process Risk, Credit and Portfolio Risk, Interest Rate Risk, Liquidity Risk, Strategy Risk etc. and steps management has implemented to manage and mitigate identifiable risk;

c) Reviewing with management and the Internal Auditor about significant business risk, political risk, financial and control risks, Industry Risk or exposure to such risk;

d) Reviewing the Internal Risk Based Audit (IRBA) system at the company with awarding the Grading/Scoring;

e) Reviewing the Credit Risk policy including the risk acceptance criteria , identification of early warning signals through Internal Inspection Department , reviewing the provision and write off policies etc.

f) Reviewing the Operational Risk events that had occurred during the quarter and systematic improvements taken/proposed by the Senior Management dealing with operational risk;

g) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

h) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

i) Manage Funding and Capital planning;

j) Pricing, profit planning (value creation and profitability) and growth projections;

IT STRATEGY COMMITTEE

Sl No	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No of shares held in NBFC
				Held	Attended	
1	Mr. Subrata Gupta	2022	Chairperson	1	1	NIL
2	Mr. Rana Som	2021	Independent	1	1	NIL
3	Mr. Dipankar Chatterjee	2016	Independent	1	1	NIL
4	Mr. Sourav Ghosh	2020	Executive	1	1	NIL
5	Mr. Jaydeep Ghosh	2020	Executive	1	1	NIL

Brief Terms of reference of IT Strategy Committee

a) To review, oversee and ensure ongoing IT activities are based on or are developed, maintained and implemented in accordance with the security requirements;

b) To review and implement changes in the policy and procedures of Network management;

c) To review and analyse web-filter management;

d) To review and implement IT security, Server, Patch and Change management;

e) To review the set of standards and procedures followed for procurement of IT assets;

f) To review and verify IT Asset Management are in right place;

g) To review and verify Licence and Warranty management as well as Vendor management;

h) To review Incident management arising out of accidental and malicious disruption of business processes;

i) To review policy on IT Physical and Environmental Security policy and procedure;

j) To review and monitor the processes for Back-up scheduling and retention;

k) To review, establish and ensure implementing procedures for responding to an emergency or other occurrence hampering Business Continuity;

l) To review and ensure Information resources are protected by the use of access control systems that include both internal as well as external;

m) To ensure due compliance are adhered to in terms of applicable laws, rules, guidelines set out by the regulators and the government;

CSR COMMITTEE

Sl No	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No of shares held in NBFC
				Held	Attended	
1	Mr. Rana Som	2020	Chairperson	0	0	NIL
2	Mr. Sourav Ghosh	2020	Executive	0	0	NIL
3	Mr. Jaydeep Ghosh	2020	Executive	0	0	NIL

Brief terms of reference of Corporate Social Responsibility Committee

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

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

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



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Notes to the Financial Statements as at and for the Year ended March 31, 2023

General Body Meetings

Give details of the date, place and special resolutions passed at the General Body Meetings

Sl No	Type of meeting (Annual/ Extra-ordinary)	Date and place	Special resolutions passed
1	Annual General meeting	June 30, 2022 at Kolkata	<ul style="list-style-type: none">• To appoint Mr. Subrata Gupta (DIN - 06833844) as an Independent Director of the company.• To appoint Mr. Sandip Das (DIN : 09345602) as Non-Executive Non-Independent Director of the company.
2	Extraordinary General meeting	August 17, 2022 at Kolkata	To approve issue of equity shares of the Company up to Rs. 600. on preferential basis to existing members – Ms Abira Majumder, Ms Aatreyee Majumder and Mr Adipta Majumder.
3	Extraordinary General meeting	March 21, 2023 at Kolkata	<ul style="list-style-type: none">• Re-appointment of Mr. Sourav Ghosh (DIN 08154243) as Managing Director of the company for another term of three years and increase in remuneration.• Re-appointment of Mr. Jaydeep Ghosh (DIN – 07475085) as Whole-time Director of the company for another term of three years and increase in remuneration.• Re-appointment of Ms. Aatreyee Majumder (DIN – 08363766) as Whole-time Director of the company for another term of three years and increase in remuneration.

Details of non-compliance with requirements of Companies Act, 2013 - NA

Give details and reasons of any default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards. – NA

Details of penalties and strictures - NA

NBFCs should disclose details of penalties or stricture imposed on it by the Reserve Bank or any other statutory authority. - NA



JAGARAN MICROFIN PRIVATE LIMITED
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Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

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	1,929.31	Nil
Unsecured	Nil	Nil
(Other than falling within the meaning of public deposits)		
(b) Deferred credits	Nil	Nil
(c) Term loans	30,516.11	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	35,015.56

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

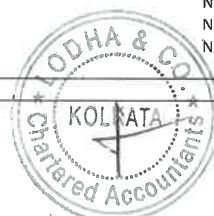
(A) Quoted:	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	Nil
(v) Others (please specify)	Nil
(B) Unquoted:	
(i) Shares: (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds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

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

Category	Amount net of provisions		
	Secured	Unsecured	Total
(i) Related parties			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
(ii) Other than related parties	Nil	33,887.69	33,887.69
Total	Nil	33,887.69	33,887.69



JAGARAN MICROFIN PRIVATE LIMITED

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Notes to the Financial Statements as at and for the Year ended March 31, 2023

(All amount in ₹ lakhs, unless otherwise stated)

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

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

8) Other information:

Particulars

(i) Gross non-performing assets*	
(a) Related parties	Nil
(b) Other than related parties	1,674.54
(ii) Net non performing assets*	
(a) Related parties	Nil
(b) Other than related parties	546.67
(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 Previous year's figures

Comparative figures of the previous year have been regrouped/ rearranged, wherever necessary, make them comparable with those of the current year figures.

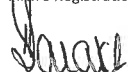
45 Adoption in board meeting

These financial statements have been adopted in the meeting of Board of Directors dated May 12, 2023 which is subject to the approval of the shareholder in the ensuing Annual General meeting of the company.

For LODHA & CO

Chartered Accountants

Firm's Registration No.: 301051E



Boman R Parakh

Partner

Membership No. 053400

Place: Kolkata

Date: May 12, 2023



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


Tanusree Ghosh

Company Secretary


Arun Gupta
Chief Financial Officer

Place: Kolkata

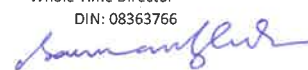
Date: May 12, 2023



Aatreyee Majumder

Whole Time Director

DIN: 08363766



Sourav Ghosh

Managing Director

DIN: 08154243