



ANNUAL REPORT

2020-21

JANAKALYAN salutes commitment, dedication and bravery of doctors, nurses, paramedics, health workers and police personnel as also our equally courageous and committed Field Staff during the Covid pandemic.


www.janakalyan.net



Janakalyan is a registered NBFC–MFI, it operates in a Joint Liability Group lending model. It provides financial services to underserved women in rural and semi-urban areas in India.

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Our last 4 years have brought a smile on the faces of 1,69,589 women.

We helped her script her story. We stood by her as she breathed life into her dreams. We held her hand so that she could hold her head high.

In our journey so far, what really drives us is not only the number of customers we serve, but the number of lives we have touched.

IN YESTERYEAR

Year of our transformation journey, we have scaled several milestones in our endeavour to create a customer-centric, empathy-driven, transparent and accountable institution. This year, the challenges posed by COVID-19 only strengthened our resolve to serve all our stakeholders. In this journey, our strongest pillar has been our borrowers and lenders.

The past twelve months have further fortified our dynamism, resilience and agility.

Even as COVID-19 continued to pose challenges, our employees embraced the 'new normal', driven by their passion and dedication to serve.

COVID-19 RESPONSE

Taking optimal action to ensure the health of our employees and customers has been a top priority and an ongoing process at Janakalyan since March 2020, when COVID-19 first necessitated lockdowns. Up until today, Janakalyan continues to take - and appropriately revise - measures to ensure the safety and health of the Janakalyan family as well as our larger community.

Aware of the severity of the second wave of COVID-19 infections and the onslaught brought on by the Delta variant, Janakalyan intensified its efforts to support employees & borrowers in all possible manners. Janakalyan has ensured a safe and supportive working environment for employees and borrowers.

Steps taken by Janakalyan:

For Employees

Minimizing exposure with work flexibility :

Sanitized spaces :

Ensuring holistic wellness with a taskforce
Enhanced insurance cover :

For Customers

Raising awareness in rural areas :

Virtual group meeting
Digital Payment Collection



DIGITAL TRANSFORMATION FOR a BETTER TOMORROW

Janakalyan's unique strength lies in its operating model ("Phygital") which combines the best of physical presence (branch network) and digital processes. The Company uses the digital platform extensively for such modules and processes as Loan Originating System, Loan Monitoring System and NEFT disbursement. This has contributed to progressively reducing the operating expenses ratio from the initial 11.5% to the current levels of 5.75% (Mar'21) and in making the Company profitable from the first year of operations itself.

The COVID-19 outbreak during March, 2020 was a watershed in the way the microfinance industry collected its dues from the borrowers. Due to the disruption caused by the pandemic, all field activities, including centre meetings came to a standstill and collection of EMIs had to be stopped entirely for few months.

While Janakalyan had already moved into digital disbursement model through NEFT, the collection of EMIs is still in cash where the Field Officers (FOs) collect the dues physically in cash from the borrowers during the centre meetings. The cash is carried back to the base branch and subsequently deposited into the linked bank account.

As experts have opined that COVID-19 is here to stay and therefore, the following norms are likely to continue indefinitely in the near future:

- a. Social distancing (reduced ability to conduct Centre meetings)
- b. Periodic lockdowns basis spread/intensity of COVID-19 cases (stopping and starting operations periodically, leading to overdues, etc.)
- c. Remote engagement with borrowers (physical face-to-face meetings may not be possible)
- d. Restricted movement of staff (inter-state/intra-state movement of staff may be restricted)

And, the next is happening now at Janakalyan. We're creating the tools for tomorrow. Tools that will make us smarter, nimbler and faster. Tools that will enable us to engage more efficiently. Tools that will help HER

**Dream more,
Do more, & Get
More.**



In order to be business ready under the “new normal,” Janakalyan has embarked on a strategy of digital collection of EMIs from borrowers. Apart from ensuring continuity of business under such stressed scenarios, digital collection also provides the following advantages :

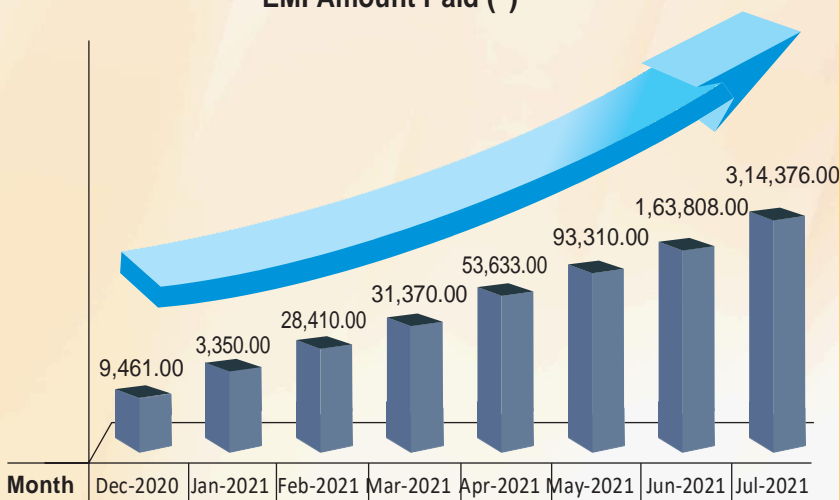
- Increase Efficiency of Operations
- Lower collection costs (reduction in opex)
- Eliminating risk of fraud/snatching, etc. in the field
- Eliminating idle cash at remote bank branches
- Can be combined with Center Meeting concept (premeeting or post-meeting collection)

In this connection, the Company has tied-up with a leading payment aggregator, M/s. PayU Payments Pvt. Ltd. to provide the following payment options in phases to its borrowers :

- Bharat Bill Payment Service (BBPS)** - already available
- QR Code based payment option** - second phase, to be implemented by Sep.'21
- Aadhaar Enabled Payment System (AEPS) with Micro ATM** - third phase, to be implemented by Mar'22

The digital collection through BBPS was initially piloted in the month of Dec.'20 with two branches and was extended to all the Janakalyan branches by Feb.'21. The month-wise collection figures have been encouraging as reflected in the table below :

Month Wise Digital Collection
EMI Amount Paid ()



Going forward, the Company proposes to increase the share of digital collection to around 10% of the total dues by Mar.'22.

Digital transformation isn't just about fast-changing technology or opening new possibilities, it is also about considering people, processes and technology as one.

Every story of growth is a demonstration of undying efforts, enduring patience, precise strategies, and perpetual resilience. And to sustain such progress, a strong foundation built on roots of values becomes imperative.

JANAKALYAN MICROFINANCE.

**FINANCIALLY MAINSTREAMING
INDIAN WOMEN**

**HELPING TURN FIRST-TIME WOMEN
BORROWERS INTO ENTREPRENEURS.**

**PROVIDING WOMEN WITH A
LIVELIHOODIMPROVING OPPORTUNITY.**

**HELPING CORRECT THE INEQUITY OF
CENTURIES.**

REATING A SUSTAINABLE BUSINESS.

**IN A VIRTUALLY LIMITLESS
OPPORTUNITY.**





CHAIRMAN'S COMMUNIQUE

Dear Shareholders,

On behalf of the Board of Directors and the Staff and Management of the Company, I extend a warm welcome to you all to its 5th AGM.

The traumatic year that has just gone by has been possibly the worst in the last hundred years for the world and the miseries still persist on a lesser scale. However, it was also the year for mankind to rise in unison with grit and determination, to counter this scourge with all resources at our disposal. Your company too had to face the brunt of the pandemic due to widespread loss of lives and livelihood all around which severely impacted the ability of our borrowers to meet their repayment obligations as their first and foremost priority was to somehow survive during such hard times.

The net effect of the pandemic has been a rundown of our portfolio with a level of Rs 153 Cr as on 31/03/2021. As a conscious strategy, adequate provisioning has been done this year to hedge against sticky loans impacted by the pandemic apart from writing-off potential NPAs which have resulted in reduction of the net profit (PAT) for the year to Rs 0.47 Cr after provisioning

and writing off to the tune of Rs 3.86 Cr. However, our capital adequacy has remained robust at over 42.43% which would enable us to raise adequate debts to re-build our loan portfolio. With improving collection efficiency and positive sentiments in the ecosystem due to gradual resumption of normal economic activities, we expect to regain our momentum during this year.

Notwithstanding the severe financial and operational stress that your company has been subjected to during the year under review, I feel proud that our staff in the field level have demonstrated remarkable resilience and devotion to duty in effectively facing the most challenging situations in the ground level. As you are well aware, the Microfinance sector has always proved its sustainability during the last two decades and has bounced back stronger and healthier after each crisis. I have no doubt that this time too, we shall soon put the company back on a rapid growth path with renewed vigour and vitality.

I take this opportunity to express our heartfelt gratitude to our Lenders and BC partners and all share-holders for your full support all through. We are grateful to our esteemed Board members for their guidance in steering the company through this difficult year. And finally, I would like to offer my personal regards to our field staff and colleagues in the HO and the Senior Management Team for their relentless efforts to cope with the emerging challenges. Warm regards and best wishes to you all.

S K Mitra

Chairman, Board of Directors



MD'S COMMUNIQUE

Dear Stakeholders,

It gives me immense pleasure to take you through the highlights of Janakalyan's performance for FY 2020-21. It has been a great journey for me personally to see Janakalyan grow from a start-up to a reputed and mid-sized Microfinance institution ("MFI") in just four years of time with a gross loan portfolio about Rs. 153 crore. We delivered a year of good performance despite the challenging environment.

As all of us are aware, the year 2020-21 was a very difficult year for the Indian economy and all its sub-sectors, including the microfinance industry which faced major issues of low collection efficiency, higher credit cost and liquidity crunch due to the pandemic. However, extensive experience of the management has helped the company to get over this challenging phase. We feel confident that the worst is now behind with the situations improving on a daily basis. The collection efficiency has been increasing steadily and has clawed back to more than 90% post November 2020. The liquidity and collection efficiency of the company has improved substantially as compared to the previous year. Capital structure and liquidity of the company are expected to remain strong.

We have Gross AUM of Rs. 153.00 Cr. in 2020-21 in spite of the pandemic situation happened worldwide. We have focused on our

fundamentals, brought more efficiency in all our operations, diversified our sources of funds and funding strategy and have evolved our services around the needs of our customers. The financial risk profile of the company is very healthy, Capital Adequacy Ratio at 42.43 % in March'21, low NPA levels, high net worth of Rs 42.46 Crore and low gearing of only 2.34 times. Our CAR is one of the highest. Our company has also been able to raise equity capital of ~ Rs 7.5 crore in the month of Feb 21 from M/s Sun Tech City Private Limited, even during this difficult period, which has also reinforced the capital structure and liquidity of the company.

We essentially fund women from the backward classes of society who are beyond the reach of commercial Banks. In fact, many a times larger lenders also seek help in lending to these segments since we are closer to the people at grass root level. Our BC business current portfolio size of more than Rs 50 crore in addition to our own portfolio. The Government has recently (28th June 2021) provided significant relief and support to all MFI's by providing credit guarantee (CGSMFI) to all Scheduled Commercial Banks and DFI for loans to MFIs for on-lending under which we also qualify.

As I conclude, I would like to thank all my colleagues at Janakalyan for their hard work and passion that has led us to deliver a year of good performance. I would like to extend my gratitude to our Board members for their support and guidance. Finally, I would like to offer many thanks our customers, BC partners, lenders and shareholders who continue to put their trust in Janakalyan during this crucial time. We look forward to your continued support for all our future initiative.

With this, I assure you that we, the Janakalyan Team, will continue to create a positive impact in microfinance space in the years to come.

Alok Biswas
Managing Director



WHeRe We WeReas oN MaRCh 2021



1,10,758
Active Customers



75
Branches



282
Field Force



463
Team



84.88
Disbursements (crore)



38.30
Revenue (crore)



0.47
Net Profit (crore)



152.98
Asset under Management(crore)



42.45
Net worth (crore)



60.70
Funds raised, 2020-2021 (Crore)



99.18
Total Debt (Crore)



2.34
Debt-equity ratio



7.91
Net interest margin (%)



1.20
Return on equity (%)



42.42
Capital adequacy (%)

OUR PARTNERS AND ASSOCIATES



CoRPoRaTe DeTaILs

Board of Directors

Mr. Sunanda Kumar Mitra
Promoter, Whole Time Director

Mr. Alok Biswas
Promoter, Managing Director

Mr. Atanu Sen
Independent Director

Mr. Asok Kumar Das
Independent Director

Ms. Dhara Jitendra Mehta
Nominee Director

Other Senior Management

Mr. Sukumar Biswas
Vice President – Operations

Mr. Monoranjan Roy
Vice President & Head-Accounts

Mr. Utpal Bose
Vice President -HR, Admin & IT

Dr. Swapan K Sinha
Head-Training & Development

Mr. Sudhir Ghosh
Internal-Inspection Head

Mr. Rajarshi Banerjee
Assistant Vice President-Finance & Accounts

Mr. Abhijit Sarkar
Zonal Head – Bihar and North East

Mr. Ashok Bhuinya
Zonal Head – Central Zone

Mr. Palash Saha
Zonal Head- Central Zone

Chief Financial Officer

Mr. Arup Kumar Dutta

Company Secretary & Compliance Officer

Ms. Shivani Agarwal

Address for Correspondence

Janakalyan Financial Services Private Limited
(Formerly : Janakalyan Consultancy & Services Private Limited)

Registered Office : 183/A, Sahid Hemanta
Kumar Bose Sarani, Kolkata - 700074

Head Office : CD-193, 1st Floor, Sector - 1,
Salt Lake City, Kolkata - 700064

Tel. No: 033 2337 0123

Email : cs@janakalyan.net

Website : www.janakalyan.net

Auditors

M/s. SRB & Associates

A-37, Gillanders House, 8, N. S. Road,
Kolkata - 700 001

Corporate Identity Number

U74999WB2016PTC216823

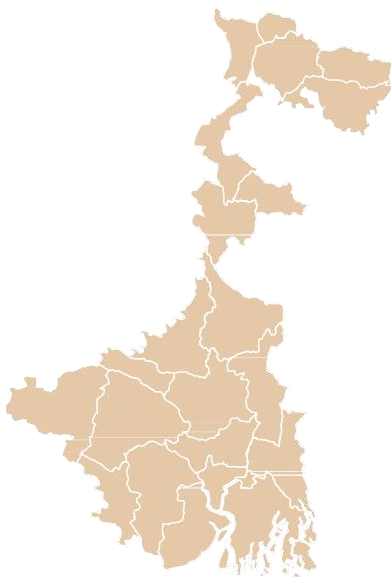
Reserve Bank of India, Registration No.

N-05.07035 dated 2nd March 2017

TRACING GEOGRAPHICAL FOOT PRINTS

Despite the pan-India opportunity in our sector, we have positioned ourselves in select locations enjoying robust prospects across market cycles.

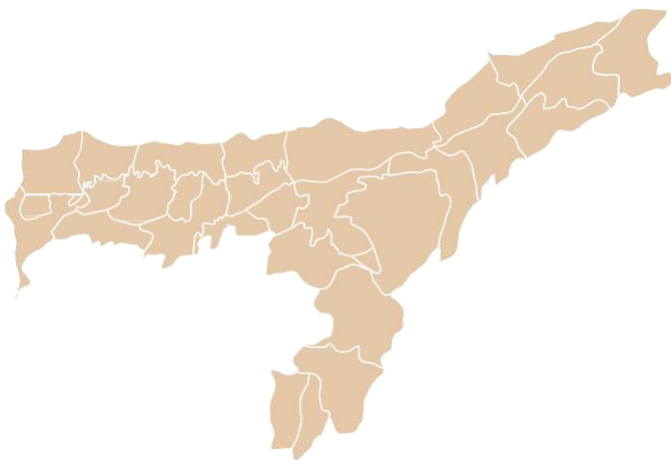
West Bengal (36)



Bihar (22)



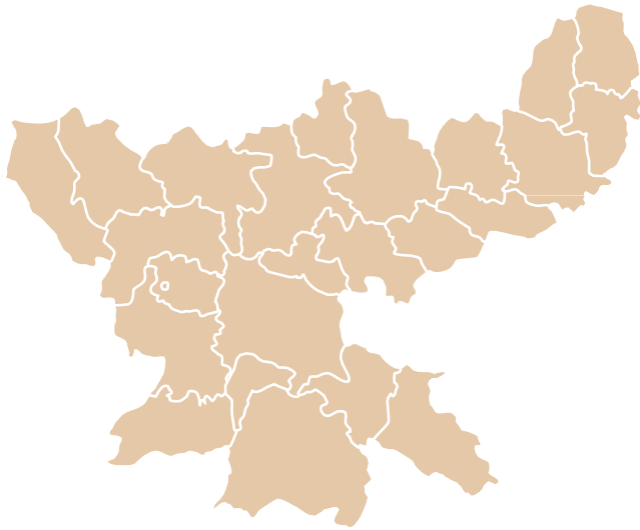
Assam (2)



Odisha (8)



Jharkhand (5)



Tripura (2)



ATJANAKALYAN, IT IS ALL ABOUT DREAMING BIG, WORKING DILIGENTLY AND MAKING THINGS HAPPEN.

**You don't have a choice regarding the arrival of tough times.
But you do have a choice in not backing down, when they do arrive.**



Shot on OnePlus
By Utpal Bose

When push comes to shove, resilience makes the real difference – the willingness to keep your eyes on the prize and your feet moving towards it, no matter what.

And that is what we did.

Through the darkest hours, toughest times and bleakest results – we pushed ourselves ahead, did our part and never for once did we lose sight of our goal.

Because we knew, our fight isn't just for ourselves, but for a greater good. That is what has kept us moving, no matter what!



CRaFTING seVeRaL sUccess sTORIes



Story of Kalidasi Das

There are many untold stories intertwined in the rhythm of the weaving, which resonates in most of the villages of West Bengal as in Chandannagar, Daspara.

Kalidasi, who is weaving a basket sitting in her own courtyards can weave four to five baskets in a day after completing her daily household chores. She weaves baskets in various size.

“My husband, a daily labour helps me in marketing the baskets in the local haat. Sometime customers and the local vendors purchase from my house” said Kalidasi. Her average daily income from the basket making is Rs.200 to Rs. 250. She has to purchase the bamboo from the local market. Janakalyan gave her financial support to purchase raw materials Kalidasi availed a second loan of Rs.50,000 in the month of November 2020 to do the business in amore extensive way.



Story of Purnima Paul

From hardship to entrepreneurship

Purnima of Anandanagar village of Aranghata made pottery in the free time of her family. Some of the clay pots used to be burnt in a furnace. She learnt it from her father-in law. Now she uses her time and talent in the pottery business. She earns Rs. 5000 to Rs.6000 per month and supports her family and gives her children education in local English medium school.

“Now we have bought a television and a fridge for our house. My husband also helped me. I am really grateful to Janakalyan.” Said Purnima Paul



Story of Kamini Sahoo

“A small loan from organisations like Janakalyan can often make a big difference in the lives of rural people”

Kamini learnt the method to prepare wick from her relative. She informed that her monthly income is ranging from Rs.4000 to Rs. 5000. Kamini hailing from the village Roygiripur under Delang Block of Puri district took a loan two times from Janakalyan.

Lamp wick is usually abraded cotton that holds the flame of an oil lamp or candle. It has good market in Odisha as the product is in good demand in various temples and especially in the near-by Shri Jagannath temple.

She expressed gratitude to Janakalyan for the financial assistance as now she can take proper care of her son and daughter and her ailing grandmother-in-law.



Story of Madhabi Halder

“Every woman in this world wears a little sparkle, some in their dress, and some in their eyes.”

Madhabi was devastated after the death of her husband and it was getting difficult for her to manage her family. In order to meet her household expenses, she decided to purchase an e-rickshaw and Janakalyan extended financial support to her to fulfil her dream.

Gradually she has been able to stabilize her family. Today her earning is Rs.300/- to 400/- per day and her son is now an engineering student. She extended her gratitude to Janakalyan to help her to achieve her dream of self-sufficiency.



BOARD OF DIRECTORS

Sunanda Kumar Mitra

Promoter, Chairman



- Mr. S.K. Mitra is Co-Founder and Chairman of the Company. He started his professional career in commercial banking since 1974 spanning over 40 years, of which he spent the first 20 years with the State Bank of India sharing wide-ranging responsibilities. Subsequently, he joined UTI Bank (Axis Bank) and served in various roles, including National Head (Rural Banking) and National Head (Distribution).
- Post retirement from Axis Bank, Mr. Mitra joined Bandhan Bank as Business Head to assist in the transformation of the NBFC to a Scheduled Universal Bank and to achieve their business goals.
- Mr. Mitra is an alumnus of Delhi University from where he graduated with Physics Honours in 1973 and subsequently did CAIIB from Indian Institute of Bankers, Mumbai and also a PDGBM.

Alok Biswas

Promoter, Managing Director



- Mr. Alok Biswas is Co-Founder and Managing Director of the Company. He started his career in 1989 with Canara Bank. Subsequently joined Indian Bank as Probationary Officer in June 1993 and worked there till 2001 to join UTI Bank/Axis Bank.
- In the year 2010 he moved into the microfinance sector and set up Jagaran Microfin Private Limited as founder & Managing Director. He steered the growth of the company for five years and thereafter quit in order to promote Janakalyan Financial Service Private Ltd.
- He is a Commerce Honours graduate, holds a Post-Graduate Diploma in Management (PGDM) from Xavier Institute of Management, Bhubaneswar besides CAIIB and Diploma in Microfinance from IIBF, Mumbai.



Atanu Sen

Independent Director

- Served State Bank of for 37+ years from where he retired in 2014 as MD & CEO of SBI Life Insurance and has wide-ranging experience in commercial banking and finance including Credit and Risk Management
- He is presently Chairman, Board of Trustees, PFRDA and Director, Peerless Financial Products Distribution Ltd.
- Executive training in leading Institutes across the world such as Wharton University of Pennsylvania, Asian Institute of Management, Manila and BPP London and is a post Graduate in Economics from Calcutta University



Asok Kumar Das

Independent Director

- Previously held the positions of Deputy Managing Director in State Bank of India, Managing Director of State Bank of Patiala, Executive Director in SBI European Bank, London, and other positions across departments in SBI and SBI Paris
- He also held the positions of Director of Institutional FINANCE and EX Officio Special Secretary (Finance), Government of West Bengal and Managing Director of WBIDFC.
- He is an M.A.in Economics (First Class) from Calcutta Universitywith CAIIB from the Indian Institute of Bankers, Mumbai.



Dhara Jitendra Mehta

Nominee Director

- 7+ years of experience in Venture Capital fund space; Presently working as a Senior Investment Associate in SIDBI Venture Capital
- Previously has also worked as Deputy Manager in Deloitte and as Senior Executive in KPMG Advisory
- She is a CA and Lawyer



MANAGEMENT TEAM

Arup Kumar Dutta

Chief Financial Officer



- 27+ years' experience in the financial sector.
- Prior to Janakalyan, he was with Utkarsh Small Finance Bank as Head-Liabilities and has worked with Axis Bank in senior profiles in retail, corporate banking and UTIAMC.
- Honors in Economics (awarded the National Scholarship), post graduated in Public Administration, PGDBM (IISWBM, Kolkata), PGCHRM (XLRI, Jamshedpur, Gold Medalist) and JAIIB (IIB&F, Mumbai).

Shivani Agarwal

Company Secretary & Compliance Officer



- 5 years of experience in the field of Secretarial & Legal Compliance and Corporate Governance.
- Honors in Accountancy and is a Member of the Institute of Company Secretaries of India.

Sukumar Biswas

Vice President – Operations



- 28+ years of on-the-ground microfinance experience with BRAC, Bandhan MFI and Head of Operations at Jagaran Microfin.
- Experience in executing different programs in the areas of education, self-help group promotion, primary health care, disaster management, vocational training, water & sanitation, social welfare.
- Masters in Commerce (Accounting).

Monoranjan Roy

Vice President & Head (Accounts)



- Central Banker and former Assistant General Manager of Reserve Bank of India for more than 3 decades and has handled several roles in the areas of Banking Regulations & Supervision, etc.
- Masters in Commerce (First Class) from University of Calcutta and is a qualified Cost Accountant.
- Certified Associate of Indian Institute of Bankers (CAIIB) from Indian Institute of Banking and Finance and is a life member of the Institute.



Utpal Bose

Vice President (HR, Admin & IT)

- 35+ years of experience in Commercial Banking including last six years in microfinance.
- in depth domain knowledge in branch banking, Retail/ MSME lending and regulatory compliance as also industrial relations.
- Science graduate from Calcutta University.



Swapan Kr Sinha

Head-Training & Development

- 3 decades of experience in NABARD and RBI.
- Prior to Janakalyan, he has also worked in Bandhan & Jagaran Microfin and has vast knowledge of microfinance industry and extensive experience of training various stakeholders in the sector.
- Doctorate in Sociology from Calcutta University.



Sudhir Ghosh

Internal-Inspection Head

- 14years of experience in microfinance Industry.
- Post Graduate Degree in Arts from Kalyani University.



Rajarshi Banerjee

Assistant Vice President (Finance & Accounts)

- B.Com(Hons.) - Accounts & Finance from Calcutta University and is a qualified Chartered Accountant (2017).
- Worked as an Associate Trainee with Magma Group for nearly two years.





Abhijit Sarkar

Zonal Head – Bihar and North East

- One decade of experience as Regional Manager and has worked in Jagaran Microfin Private Limited as Area Manager and Senior Inspection Officer.
- Honours graduate from Kalyani University, West Bengal.



Ashok Kumar Bhuyan

Zonal Head- Central Zone

- 12 years' experience in Microfinance Industry. Starting his careers from “BFIL Ltd” and afterwards in “Satin Credit Care Limited”.



Palash Saha

Zonal Head- Duttapulia zone

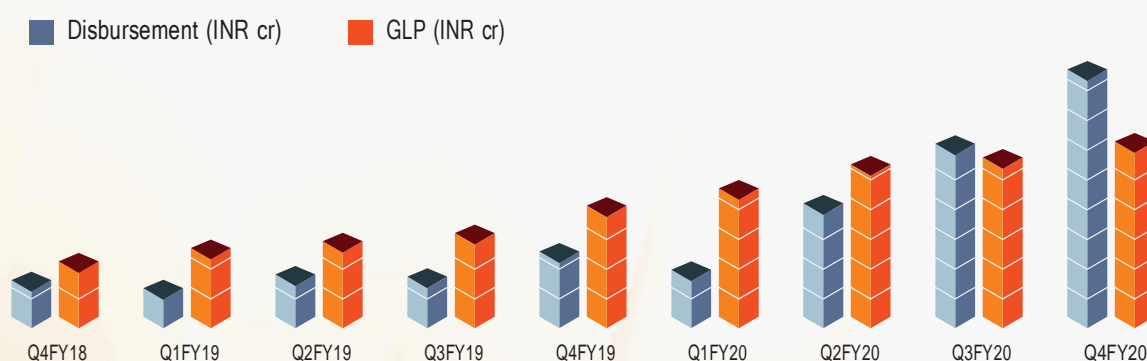
- 10 years of experience in microfinance acquired during stints with Sreema Mahila Samity.
- Post Graduate Degree in Arts.



MANAGEMENT DISCUSSION AND ANALYSIS

1. Introduction

- 1.1. The year 2020-21 was an extremely difficult year for the Indian economy and all its sub-sectors. The status of the microfinance industry was no different, which faced major issues of low collection efficiency, rising delinquency, higher credit cost and liquidity crunch throughout the financial year due to the COVID-19 pandemic. The liquidity crunch was severe; particularly for the small/medium MFIs post the default in loan repayments by an Odisha based NBFC-MFI. Besides, MFIs operating in the Eastern part of the country like Janakalyan had to contend with natural calamities like Amphan (West Bengal/Orissa), Bihar floods and political disruptions on account of elections in Assam and West Bengal.



- 1.2. Janakalyan had to bear the brunt of all the aforesaid debilitating factors and as a result its performance was substantially affected in FY21. The overall loan book shrunk during the year by ₹86 crore. The PAT too declined sharply from ₹6.02 crore in FY20 to ₹ 0.47 crore in FY21. However, despite the difficult situation, the Company was able to raise ₹7.50 crore equity from a corporate entity. A snapshot of operational metrics as on 31/03/21 and y-o-y change is provided in the table below :

Particulars	Mar-21	Mar'20	YoY Change
No. of Branches	75	75	-
No. of States covered	6	6	-
No. of District Covered	31	22	9
No. of Active Members	1,69,224	1,62,267	6,957
No. of Active Borrowers	1,10,748	1,33,827	(23,079)
No. of Field Officers	282	285	(3)
No. of Loans Outstanding	1,16,202	1,39,658	(23,456)
Loan Amount Outstanding (₹ cr.)	152.98	239.26	(86.28)
Loan Amount Disbursed During the FY (₹ cr.)	84.88	333.15	(248.27)
No. of Loans Disbursed During the FY	28,014	1,29,413	(1,01,399)
No of Borrowers per FO	393	470	(77)
Loan Outstanding Per Branch (₹ cr.)	2.04	3.19	(1.15)
Average Loan Size Outstanding (₹)	13,165.01	17,131.85	(3,966.84)
Average Portfolio Per Borrower (₹)	13,813.34	17,878.31	(4064.96)

1.3. The GLP consists of own as well as managed portfolio. The partners were Utkarsh Small Finance Bank MAS Financial Services and IDBI Bank. The share of BC portfolio remained unchanged at 65% of the total portfolio during the year.

2. Microfinance Industry Overview

As per the statistics released by Microfinance Institutions Network (MFIN), as on 31st March, 2021

- 2.1 During FY21, microfinance industry in India grew at a sluggish pace as a result of COVID related disruption and overall stress in the sector. The overall microfinance industry's gross loan portfolio (GLP) grew by 11.9% to ₹ 2,59,377 crore as on March 31, 2021, up from Rs 2,31,787 crore as on March 31, 2020. Banks hold the largest share of portfolio in micro-credit with 43.67% of total micro-credit universe, followed by NBFC-MFIs at 31.05%, SFBs at 15.87%, NBFCs at 8.36% and Other MFIs at 1.05%. The gross loan portfolio of NBFC-MFIs increased by 11% to ₹ 81,475 crore as on March 31, 2021, compared to Rs 74,272 crore as on March 31, 2020.
- 2.2 NBFC-MFIs disbursed a total loan amount of ₹ 57,891 crore through 1.70 crore accounts during FY21. Compared with FY 19-20, there has been a YoY drop of 39% in number of loans disbursed and 24.8% in loan amount disbursed. Average loan amount disbursed per account ₹35,726, which is an increase of around 20% in comparison to loans disbursed during FY20. In terms of regional distribution of portfolio (GLP), East and North East accounted for 33% of the total NBFC-MFI portfolio, South 28%, North 13%, West 15% and Central, 11%. Five top states in terms of loan amount outstanding are Karnataka, Tamil Nadu, Bihar Maharashtra and Odisha. They account for 52% of GLP and top 10 states account for 83% of the total loan amount outstanding.
- 2.3 Portfolio at Risk (PAR)>30 days as on 31 March 2021 stood at 9.2%, which has weakened from 2.4% as on 31 March 2020. The sharp rise is due to pandemic affecting the microfinance industry. PAR>90 days also rose to 5.4% from 1.6% (FY20).
- 2.4 Despite the liquidity squeeze that all NBFCs faced during the year, NBFC-MFIs received a total of ₹ 40,797 crore in debt funding (from Banks and other Financial Institutions) which represents a growth of 9.2% as compared to FY 19-20. While Large MFIs were able to source 67% of debt funding from Banks, Medium MFIs were able to source 32% of their funding from banks and remaining (68%) from other FIs. Small MFIs received 24% of their debt funding from Banks. The total equity of the industry stood at ₹ 18,663 crore, which is 27% of the net owned portfolio. At an aggregated industry level, domestic equity is 54% of total equity.
- 2.5 At an industry level, average cost of funds for FY21 stood at 13.51% (FY20:14.6%) and Median Cost of funds at 13.40% (FY20: 15.1%). Overall spread of cost of funds ranged from 9.15% to 16.92%. For, Large MFIs, the range is between 9.15% to 13.40%; for Medium MFIs, range is



between 12.36% to 15.91% and for Small MFIs, range is between 11.75% to 16.92%.

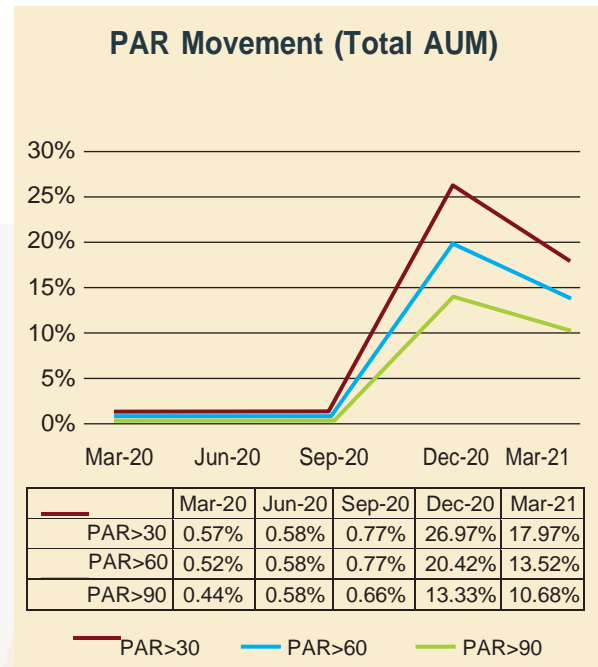
- 2.6 NBFC-MFIs employed around 1.19 lakh staff as on 31 March 2021. This is an increase of 3.4% from around 1.15 lakh staff as on 31 March 2020. Around 95% of the staff are based at the branch level while the remaining are at MFI Head Offices.

3. Operations of the Company :

- 3.1 Due to the pandemic, it was decided not to open any new branch during the year but to consolidate the existing network. The portfolio concentration in West Bengal rose to 60.06% at the end of March'21 from 51% at the end of previous March. This rise is primarily attributed to increased disbursement in the State on account of Utkarsh BC business. The portfolio share of Bihar on the other hand depleted by 9% during the year from 40% to 30.75%. With regard to other served States, the portfolio share remained nearly static with Odisha at 4.62%, Jharkhand at 2.73%, Tripura at 0.94% and Assam at 0.91%.

- 3.2 The portfolio quality came under severe stress due to COVID. Its adverse impact continued to be visible in terms of loss of income/livelihood across the MFI borrowers throughout the year; particularly in the State of West Bengal and other Eastern States. The periodic lockdown and the resultant disruption in mobility greatly impacted the income generating activities of the borrowers. For instance, a large section of our borrowers in the districts of Nadia and Murshidabad earn the livelihood by selling their agricultural produce in the markets of Kolkata. With suburban trains

not running for most part of the year, their income levels were critically impacted. The PAR status on total AUM is given below.



The PAR status with regard to own portfolio stood as under :

Bucket	(As on 31 st March, 2021)
PAR>30	4.32%
PAR>60	2.15%
PAR>90	1.32%

- 3.3 Realising that the economic fallout due to COVID-19 pandemic has resulted in significant financial stress for the borrowers, RBI had provided moratorium for the period 1st March, 2020 - 31st August, 2020. Further, RBI vide its circular dated August 06, 2020, provided a resolution framework to enable the lenders to mitigate the impact of financial stress on borrowers while classifying these assets as standard.

	Particulars	FOR THE YEAR ENDED	FOR THE YEAR ENDED
		31-03-2021	31-03-2020
		(Lakh)	(Lakh)
1	Revenue from Operations (i+ii)	3,188.60	3,208.80
(i)	Interest Earned	3,128.29	2,953.54
(ii)	Loan Processing Fee Earned	60.31	255.26
2	BC Commission	519.89	682.97
3	Total Other Income	121.96	198.75
4	Total Revenue (1+2+3)	3,830.45	4,090.52
5	Total Finance Cost (a+b)	2,016.87	1,930.85
(a)	Interest Expended	1,965.92	1,795.97
(b)	Loan Processing Fee Paid+Stamp Chgs	50.95	134.88
6	Operating Expenses (aa+bb)	1,222.88	1,156.94
(aa)	Employee Cost	833.20	755.71
(bb)	Other Operating Expenses (incl. depreciation)	389.68	401.23
7	Total Expenditure (5+6) (Excluding Provisions & Write-offs)	3,239.75	3,087.79
8	Operating Profit (4-7) (Profit before Provisions & Write-offs)	590.70	1,002.73
9	Provisions for Loan Loss + Write-offs	496.57	153.49
10	Profit Before Tax (PBT) (8-9)	94.13	849.24
11	Tax Expenses	47.62	247.35
12	Profit After Tax (PAT) (10-11)	46.51	601.89
13	Gross Loan Portfolio (GLP)	15,298.13	23,926.05
14	Own Portfolio	9,869.80	15,619.56
15	Capital Adequacy (CRAR)	42.42%	23.25%
16	NPA		
(i)	Gross NPA (Lakh)	129.95	106.12
(ii)	Net NPA (Lakh)	29.31	43.21
(iii)	% of Gross NPAs	1.32%	0.68%
(iv)	% of Net NPAs	0.30%	0.28%
17	Return on Total Assets (ROTA) (Annualized)	0.27%	3.58%



3.4 The Company, with the approval of the Board, provided moratorium-1 to all the borrowers for the months of April, 2020 and May, 2020. The second tranche (moratorium-2) was provided to select borrowers who continued to show significant stress in their cash flows. Further, in order to provide a mitigant for the situation and to ensure that the Company's financials are not adversely impacted due to COVID-19 related stress, the Company also implemented a Resolution Plan in accordance with the aforesaid RBI Circular. Under this plan, moratorium was granted to select accounts (basis the income stream of the borrowers) till 30/04/2021.

3.5 The Company retained its focus on rationalizing operating expenses through improvements in operating efficiency and employee productivity. As a result, Operating Expenses Ratio (OER) declined to 5.75% as on 31st March, 2021 from 5.91% the year before.

4. Financial Results

4.1 Despite the severe disruption caused by COVID-19 pandemic, the Company has been able to perform fairly well during the year. The Company has honored all its repayment obligations in time and also been successful in attracting fresh capital. As on 31st March, 2021 (audited), the Asset Under Management (AUM) stood at 153 crore with PAT of 0.47 crore. The Company has earned profit for all the years of operation starting from FY18 (the first full year of operation). The Company's current Net Worth stood at 42.46 crore. The key financial metrics are given below :

4.2 The operating profit declined by 41% over the previous year. This is the result of decline of revenue by 2.60 crore (driven by lower BC income) and increase in financial cost (short tenor loan from SIDBI) as well as operating expenses. The gradually declining portfolio during the year as well as reduction in ROI have adversely impacted the generation of revenue.

4.3 The sharp dip in PAT is attributed to the write off amounting to 1.00 crore from own portfolio and booking of loss amounting to 2.86 crore on the BC portfolio during the year. While these loans remained overdue beyond 12 months as on 31st March, 2021, it is expected that with borrowers' incomes gradually reaching normal levels, a significant portion of the written off amounts will be recovered within FY 22 itself. The same on receipt shall be written back to P&L account. The Company has undertaken this exercise as an act of prudent and strategic planning to facilitate focused recovery and also to defer the tax liability.

4.4 In the month of October, 2020, it was reported that an Odisha based NBFC-MFI had defaulted in repayment to its lenders. This seriously impacted the flow of funds to NBFC-MFIs, particularly the small and medium sized ones like Janakalyan. The entire sector came under much greater scrutiny. Several common lenders did become extremely cautious in lending to such MFIs and disbursements reduced to a trickle during the remaining months of the year.

4.5 Despite the disruption caused by COVID and other factors as mentioned in the above paragraph, the Company was able to raise fresh debt to the tune of 63.70 crore (FY20: 122.58 crore) from banks and NBFCs in order to fund its growing asset book. The major lenders were SBI, SIDBI (under SLS) and NABARD (under ASLF). Due to the overall uncertainty in the financial sector, most banks preferred to fund their existing clients (to the extent of available limit) rather than onboard fresh clients in the NBFC-MFI space.

4.6 Since fresh borrowing (63.70 crore) was considerably lower than the principal loan amount repaid during the year (117.67 crore), the borrowing outstanding declined from 153.15 crore to 99.18 crore.

4.7 The Rate of Interest (ROI) charged by the Company to its JLG borrowers was progressively reduced every quarter during the year from 24.09% p.a. to 21.89% (a decline of 2.20% p.a.) as a result of declining average base lending rates of top five banks as well as average cost of borrowing for the Company (in accordance with formula based pricing stipulated by RBI).

The average cost of borrowing as on 31st March, 2021 stood at 13.98% p.a., which saw a reduction of 1.12% over the FY20 level of 15.10% p.a. The reduction is due to the lower cost borrowings from bank and DFIs during the year. However, due to higher reduction in ROI charged by the Company as compared to the reduction in cost of borrowing, the margin declined by 1.89% p.a. The margin as on 31st March, 2021 stood at 7.91% (FY20: 9.80%). The margin was within the RBI stipulated margin cap of 10%.

4.8 The Company continues to be adequately capitalized with a fresh equity raise of 7.50 crore at a premium of 13.40 during the year, which demonstrates the commitment and credibility of the Company and also the goodwill that it commands in the market. As on 31st March, 2021, the Capital to Risk Adjusted Assets (CRAR) was at a healthy 42.42% against the regulatory requirement of 15%. While the Tier I Capital stood at 40.04%, Tier II Capital was at 2.38%.

5 Rating & Grading

5.1 During the year, the Company's external rating was downgraded from BBB- (Outlook : Stable) to BB+ (Outlook: Stable) for the existing fund based facility of 100 crore by M/s Acuite Ratings & Research Ltd. Further, a rating of BB+ (Outlook: Stable) has been assigned for the proposed bank facility of 50 cr.

M/s Acuite in its rating rationale had pointed to three reasons for the downgrade. These are as under:

- a. Increase in delinquencies/ Low Collection Efficiency
- b. Slow down of disbursement
- c. Decline of portfolio

The Company had appealed (as per the laid down process) against the rating downgrade pointing out that the factors contributing to the above are external to the Company and did not reflect any fundamental financial or operating weakness of the Company. It was pointed out that even in midst of the COVID-19



pandemic, Janakalyan continued to be an inherently strong Company with robust financials, strong operating processes and excellent corporate governance culture driven by its Board and senior management team. Further, it was stated that the Company since its inception had grown in a sustainable manner, been profitable and honored all repayment obligations on time. The Appeal Committee, however, did not accept the Company's submission and maintained the downgrade. This rating is valid till **18th March, 2022.**

5.2 Consequent upon expiry of earlier MFI grading report in November, 2020, the Company had given a mandate to M/s SMERA Gradings & Ratings Pvt. Ltd. for undertaking the MFI grading activity. Janakalyan has been assigned a grading of 'M3', which is defined as, 'Above average capacity of the MFI to manage operations in a sustainable manner.' The grading of 'M3' is third in a eight point grading scale, with 'M1' being the highest and 'M8' being the lowest.

Previous grading assigned to Janakalyan (by CARE) was 'MFI 3+', which is fourth on an eight point grading scale. There is no individual definition for each grading.

The SMERA grading methodology takes into consideration the following parameters :

- A. Operational Track Record
- B. Promoters & Management Profile
- C. Financial Performance
- D. Asset Quality
- E. System & Processes

The grading is valid for a year, till **27th November, 2021**

5.3 During the year, M/s SMERA Ratings conducted Code of Conduct Assessment (COCA) and assigned the Company "C2" as its Code of Conduct Assessment grade, which signifies good performance on COCA dimensions (Second on a Five Point Rating Scale). This is an improvement over the previous COCA rating of "C3." The Code of Conduct report evaluates the entity's adherence to nine code of conduct parameters or dimensions. While conducting the evaluation, the Approval; Documentation; Dissemination and Observance (ADDO) framework has been used for assessment and measuring. The scores obtained by the Company on each of the dimensions are as under :

Code of Conduct Dimensions	Code	COCA Score Assigned by SMERSA
Sensitive Indicators	SEN	94%
Integrity and Ethical Behaviour	IEB	89%
Transparency	TRP	86%
Client Protection	CLP	93%
Governance	GOV	90%
Recruitment	REC	92%
Client Education	CLE	89%
Feedback & Grievance Redressal	FGR	87%
Data Sharing	DSR	96%

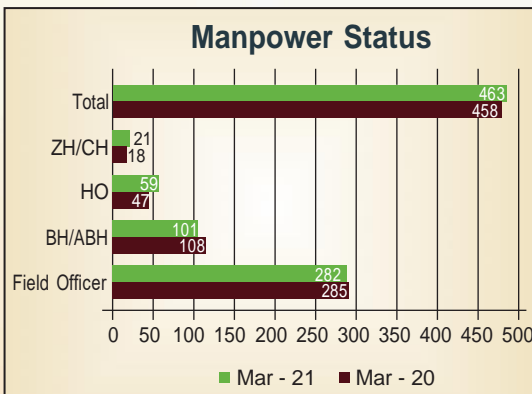
The rating is valid for a year, till 30th March, 2022.

6 Human Resources

6.1 The Company lays special emphasis on building its human capital through proper and timely recruitment of employees, and thereafter managing the entire employee life-cycle as per the laid down HR policy. All the newly joined employees in the role of Field Officer are imparted Induction Training to make them familiar with the Company and

job role. The older employees are provided Refresher Training at periodic intervals. The senior employees were provided training on Leadership Development, Corporate Governance and Soft Skills. Due to COVID, physical class-rooms training sessions were replaced by on-line training, which proved to be equally effective.

6.2 The Company's total staff strength remained roughly at the same level as the previous year. This is because no new branches were opened and fresh recruitment was done only against resignations. Field Officers constitute 61% of the total staff. The percentage of female employees marginally declined to 22.68% from 24.01% in the previous year.



6.3 The Company ensured compliance as required under the ESG policy that was approved by the Board during the year. The Company also initiated a drive for COVID vaccination of all staff

7 Risk Management

7.1 The Company has a Board approved Risk Management Policy. The Board periodically reviews the risks faced by the Company and the systems and procedures in place to manage the same. The company has developed Key Risk Indicators (KRIs) with regard to 20 critical

parameters, categorized under Operational, Credit, Liquidity/ALM, Interest Rate and Compliance Risk areas. The Risk Management Committee (RMC), which meets every month reviews the movement of various types of risks that the Company is exposed to during the month under review and suggests appropriate corrective measures to the line departments. Due to increased delinquency as a result of COVID pandemic, the Company noted higher operational and credit risks during the year. Further, due to liquidity crunch, liquidity risk also increased considerably.

7.2 The credit risk, which is the most critical risk, is managed by ensuring careful selection of borrowers, their repayment capacity and the proposed end use of funds. Client over-indebtedness is prevented by credit bureau check and scrupulously adhering to the MFIN Code of Conduct promoting responsible lending by MFIs.

7.3 Operational risk arises from human or system related error during product delivery and services. The transactions are handled by large number of employees spreading over branches. This risk is a function of internal controls, information systems, employee integrity and operating processes. In order to mitigate these risks, the Company regularly reviews the efficacy and effectiveness of the multi-layered checks and controls that are in place over key client interface processes. The controlling hierarchy in the field is explicitly tasked to ensure the observance of all processes without any



deviation. To minimize the incidence of cash handling, all disbursements are invariably made to clients' bank account directly through NEFT. The Company's Internal Inspection Department undertakes multi-layered inspection checks like pre-disbursement check, loan utilization check and branch inspection for a duration of two/three days every cycle.

7.4 Liquidity risk arises from the inability to adequately anticipate and plan for changes in funding sources and cash needs. The Company mitigates this risk by maintaining detailed estimates of projected cash inflows and outflows for the next 30 day and reviewing the same on fortnightly basis during the Fund Mobilization Committee (FMC) meetings. The surplus liquidity (if any) is invested in identified Liquid/Money Market Funds of various AMC's to maximize earnings.

7.5 The ALM Risk is mitigated by ensuring matched funding without any adverse mismatch in structural liquidity. As on 31st March, 2021, The company has positive mismatches for periods up to one year except 3 months to 6 months bucket. However, there is a cumulative positive mismatch in all the buckets. This indicates that total inflows are more than outflows and therefore, the company has enough funds to repay its future liabilities arising out of borrowings. The company has negative mismatches in over 5 years bucket. This is the result of availing long term borrowing from Bank and FIs while giving short term loans to borrowers.

As per extant RBI guidelines, the net

cumulative negative mismatches in the maturity buckets of 1-7 days, 8-14 days, and 15-30 days shall not exceed 10%, 10% and 20% of the cumulative cash outflows in the respective time buckets. The company's structural liquidity position is in conformity with the RBI guidelines.

7.6 The Company's financial gearing was comfortable with Debt/Equity ratio at 2.34 as on 31st March, 2021 (as on 31st March, 2020: 4.44). The gearing improved as a result of equity infusion and lower borrowing. There is enough headroom, therefore to leverage further in order to grow the asset book.

7.7 The Company follows a prudent provisioning policy which is even more rigorous than the regulatory norms applicable to MFIs. As on 31st March, 2021, the Company provided for 1% of the outstanding loan portfolio (own book) in accordance with the extant RBI Notification. Further, the Company continues to provide 10% of principal outstanding of all standard but overdue accounts (DPD 1 to 89 days) as on 29.02.2020 (RBI circular RBI/2019-20/220 DOR. No. BP. BC. 63 / 21.04.048 / 2019-20 dated April 17, 2020 (COVID19 Regulatory Package - Asset Classification and Provisioning).

In addition to the above provisions, the Company has made prudent provision of 3.72% of "off-balance sheet" loan portfolio (consisting of BC and securitized portfolio) as on 31st March, 2020.

8 Inspection

8.1 The Company lays great importance on internal inspection of branches/offices in

order to ensure that these are run in accordance with the established policies of the organization without any deviation. The Internal Inspection Department undertakes independent examination, verification and review of accounting, financial and field level activities performed by the branch officials in accordance with the approved and documented guidelines of the Company and ensures correction of the deviations identified in course of inspection. It has three components of evaluation, viz., Process Management, Pre-Disbursement Check (PDC) and Loan Utilisation Check (LUC). The Process Management is a software driven online process to evaluate the branch functioning. It has fifty-two indicators covering six broad areas of branch functioning. With the help of this tool, the result of evaluation of branch functioning is available to the officials having necessary access. The irregularities that cannot be corrected during the course of inspection are left to the branch for compliance within a time frame of 10 days. The evaluation is done on a scale of hundred marks and branches are graded as under :

- a. AA (Efficiently Run)
- b. A (Well Run)
- c. BB (Satisfactorily Run)
- d. B (Not-satisfactorily Run)

The LUC ascertains the end use of fund for the purpose it was lent. The PDC assesses whether the loan that is sanctioned is done in adherence with the industry code of conduct, promoting responsible lending and the borrower is aware of major terms and conditions of sanction.

8.2 During the year under review all the 75 branches were inspected. Of these, 23 branches were graded as AA, 50 branches graded as A and 2 branches graded as BB. The weightage of the different indicators was modified during the year to give enhanced weightage to business metrics. This has resulted in a lower percentage of branches being graded as AA.

Grade	Mar-21	Mar-20
	No. of Branches (% of total)	No. of Branches (% of total)
AA	23(31%)	20 (28%)
A	50(67%)	38 (53%)
BB	2(2%)	14 (19%)
B	-	-
Total	75	72

9 Information Technology

- 9.1 The Company has progressively leveraged technology to automate various processes and thereby put in place effective control mechanisms. This has led to enhanced employee productivity, greater efficiency, lower cost of transaction and timely MIS.
- 9.2 Network security is an important concern area in the today's environment. The same has been enhanced with the setting up of firewalls, which will be critical in blocking malicious traffic like viruses and hackers emanating from external sources.
- 9.3 During the year, the Company commenced digital collection of EMI dues from the borrowers. In this connection, the Company entered into an agreement with PayU Payments Pvt. Ltd.



for providing various digital payment options. Presently, option is available with the borrowers to pay their EMIs through Bharat Bill Payment System (BBPS). Subsequently, the Company proposes to offer QR Code based payment options as well as Aadhaar Enabled Payment System (AEPS), using a micro ATM.

9.4 The Company has implemented /upgraded the following IT interventions during the year :

- a. Loan Management System - after loan is disbursed through NEFT, unique loan account number, loan cycle number and repayment schedule (EMI) are automatically generated. The daily collection (EMI) is posted through mobile application.
- b. API Integration - API integration has been successfully done with credit bureau "Equifax."
- c. Various forms/documents like the Loan Sanction Letter, Loan Application Form (LAF), DP Note, KYC documents, Bank Book etc., can be downloaded from the operating system and printed for use.
- d. Integration of various modules with the operating software, such as :
 - Internal Audit Technology/
 - i. Software : ISA done
 - ii. Inventory Management : Implemented
 - iii. Death Case Settlement : Implemented
 - iv. User Role Based Access : Implemented
 - v. Biometric Attendance : Implemented
 - vi. Mobile call Tracking : Implemented
 - vii. BC Loan Management : Implemented

10 Social Welfare Initiatives

10.1 Janakalyan continued to demonstrate its commitment to social welfare initiatives

and interventions within its area of operation. These programmes were focused on Economic empowerment & poverty eradication, Financial inclusion & literacy, Health and nutrition, Borrower leadership and Environmental awareness. Most of these programmes were focused on value addition through knowledge.

10.2 The Company continued to be focused on the health and well-being of the communities amidst which it operated; particularly that of the marginalized communities. It has been periodically organizing health check-up camps as also eye check-up camps and cataract detection camps in the served areas. Blood Donation camp was also organised in association with the Government Hospital in the Bongaon Branch. The objective was to generate awareness on blood donation and its significance in saving lives during emergencies; particularly during obstetric emergencies and accidents.

10.3 The Company strongly believes in protection of the environment. Branch staff regularly campaign about the protection of environment and plastic free society. Environment Day observed in every branch of Janakalyan. The Company regularly engages itself in planting of saplings and generate awareness through such campaigns as "Save the Tree." During the year, large number of samplings were planted in the Nadia District.

10.4 The company regularly conducts awareness programme on various

government sponsored social security programmes (Samajik Suraksha prokalpo) and takes the initiative to enlist the members under different government social security schemes. The emphasis is on convergence with the government programmes and educating the borrowers about the different laws/interventions like, property rights, women rights, rural health mission and welfare programmes of the Union and State Governments.

10.5 Economic empowerment is the best route for ushering in social empowerment. Promotion of micro-enterprises and various income generation activities, on-farm and off-farm, ensures this. In keeping with the needs of the communities and resources that the region provides the company organizes awareness camps as well provides training from time to time on poultry farming and black goat rearing. This is organized with the help of District Government officials.

10.6 The Company provides skill development training to local women who are interested and have the entrepreneurship skills to start their own small businesses. These women are provided with the requisite skills for managing their livelihood, linking up with markets, enhancing their credit absorption capacity and credit worthiness, etc. Training is provided on the development of skills like, Tailoring and Beautician courses. Under the tailoring and beautician programmes, more than 200 women were covered. The training unit was at Karnojora, Uttar Dinajpur.. After

Karnojora, the second tailoring and beautician course was started in Kaliaganj from February 2020.

10.7 It is the right of every child to get basic education. In case of first-generation learners, they find it difficult to cope with the present-day education. The Company is committed to mainstream the children of the under privileged. In Odisha the company is imparting primary education through its Shiksha Kendra in the Niali Branch. 20 children in the age group of 3 to 5 years are enlisted in this Kendra It is also operating a Coaching Centre at Duttaphulia, Nadia.

11 Outlook and Challenges

11.1 Following decline of the 1st wave of COVID pandemic, the MF industry was on a gradual recovery phase by late Q3FY21 with regard to the delinquencies and disbursements levels. However, the second COVID wave (much more virulent than the first one) effectively disrupted that nascent recovery. To make matters worse, the second wave majorly impacted the rural hinterland. The rapid spread of the second wave led to lockdown at local levels in various States and the duration/intensity of such lockdown kept increasing during the months of Apr.'21-Jun.'21 as the case load in the Eastern geography continued to increase further. The sharp decline in mobility due to restrictions imposed by various governments did adversely impact business activities and consequently, lives and livelihoods of people in the semi urban and rural areas. Needless to add, the impact on our



microfinance borrowers has been quite severe. While the pandemic's intensity has tapered down considerably since Jul.'21, resumption of normal economic activity and restoration of livelihoods will only happen with a lag.

- 11.2 India Ratings and Research (Ind-Ra) opined that due to the second wave, the MFIs could again see credit costs in the range of 3%-6% in FY22, if the early trends of drop in collection performance were to persist. According to the agency, the incidence of most of the relevant provision will also fall in FY22, given that the bulk of the second wave portfolio deterioration would happen at the beginning of FY22. As a consequence, the impact of the credit costs on account of the second wave would be higher in the annual financials for FY22 than FY21.
- 11.3 Ind-Ra further opined that smooth access to funding and liquidity would be critical for the sector. For most large MFIs (assets under management (AUM) above INR50 billion or MFIs that are part of large groups), bank funding lines etc could continue and hence they may not face immediate liquidity stress. The regulatory announcement of special long-term repo operations of INR100 billion for SFBs and categorisation of lending by SFBs to MFIs under priority sector lending (for loans to MFIs of AUM INR5 billion and less) was a step to ensure flow of liquidity to small MFIs. However, Ind-Ra also analysed the portfolio of SFBs and their lending to MFIs with AUM of less than INR5 billion is marginal. Ind-Ra expects mid and small MFIs to continue to face challenges in fund raising and / or borrowing costs. The

agency reiterates a Stable Outlook for large MFIs and a Negative Outlook for the rest for FY22.

- 11.4 RBI published a **Consultative Document on Regulation of Microfinance** on 14th June, 2021 and invited feedback from all the stakeholders. This discussion paper intends to facilitate a review of the applicable regulatory framework for microfinance activities undertaken by all REs of the Reserve Bank. The primary objective is to address the concerns related to the over-indebtedness of microfinance borrowers and to enable the market mechanism to bring the interest rates downwards in the microfinance sector while empowering the borrowers to make an informed decision by enhancing prevalent mechanisms on transparency of loan pricing. While introducing lender agnostic and activity-based regulations in the microfinance sector, the Reserve Bank is also conscious of the fact that certain prudential norms specific to NBFC-MFIs should not be harmonized with other REs to address the idiosyncratic risks on account of concentrated exposure of NBFC-MFIs to unsecured microfinance loans. Further, the proposed regulations shall be introduced in a non-disruptive manner and all REs shall be provided with sufficient time to comply with the guidelines post their introduction. We believe that this will introduce a level-playing field for all the players in the industry and in particular, remove constraints on pricing that presently the NBFC-MFIs face.
- 11.5 The two clear challenges before the Company are those related to asset

quality and funding. The challenge of asset quality is sought to be mitigated by extensive monitoring of collection activity at all levels, creating separate team tasked with collection of overdues and introduction of incentives for the field staff. The challenge of funding constraint is sought to be overcome by reaching out to a wider set of lenders, primarily banks and also ensuring the restoration of Bank Loan Rating to investment grade at the earliest.

In this connection, the recently announced Credit Guarantee Scheme for MFIs (CGSMFI) by the Government of India is a welcome development. Under the scheme, Janakalyan (as a NBFC-MFI) is eligible to receive loans from lending institutions for on-lending to small borrowers. As per the scheme provisions, at least 50% of the funding made and covered under the scheme goes to lower rated/graded NBFC-MFIs/MFIs (i.e. NBFC-MFIs/MFIs rated/graded MfR 2 or below). The loan provided by the bank is guaranteed by NCGTC.

11.6 Looking ahead, we believe that the need for intermediation and financial inclusion at the grass root level will continue to be essential, particularly in the “Low Income States” of Eastern and North-Eastern India. The Company is structurally and strategically well poised to leverage these opportunities and will continue to pursue a sustainable, predictable and profitable business model that will generate steady returns to all the stakeholders. In addition to addressing the challenges of asset quality and funding, the Company will stay focused on the following:

- a. Expand BC business by partnering with at least one more bank.
- b. Continue the effort to raise institutional equity with the help of the merchant banker.
- c. Further optimize opex
- d. Impart greater emphasis on digital collection

Cautionary Statement

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

For and on behalf of the Board of Directors



Alok Biswas

Managing Director



Sunanda Kumar Mitra

Chairman



DIREcToRs RePoRT

Dear Members,

Your Board of Directors (the “Board”) takes pleasure in presenting the Fifth Annual Report of Janakalyan Financial Services Private Limited (Formerly: Janakalyan Consultancy & Services Private Limited) together with the audited statement of accounts of the Company for the financial year ended 31st March, 2021.

Financial Result

Particulars	31 st March, 2021 (in Rs.)	31 st March, 2020 (in Rs.)
Total Revenue	38,30,46,564	40,90,52,038
Less: Total Expenses	37,35,95,207	32,41,27,752
Profit before Tax	94,51,357	8,49,24,286
Current Tax	47,61,513	2,38,74,120
Deferred Tax Liability	956	56,000
Tax of Earlier Years	-	8,04,616
Total Tax Expenses	47,62,469	2,47,34,736
Profit for the Year	46,88,888	6,01,89,550

BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR :

a) Business Growth

Your Company during the year, opened a total of 1,10,758 women borrowal accounts (including renewals) and served them through 75 branches across 31 Districts in 6 States (Assam, Bihar, Jharkhand, Odisha, Tripura and West Bengal).

Your Company's Operational highlights for Financial Year (“FY”) 2020-2021 are as follows:

Year Ended	2021	2020
Branches	75	75
States	06	6
Districts	31	22
Borrowers	1,10,758	1,62,267
Loans Disbursed (in Cr)	84.88	333.15

b) Profitability

With regard to your Company' s overall performance during the year under review, the net revenue from operations of your Company was Rs. 38,30,46,564 for FY 2020-2021 and your Company's Profit After Tax stood at Rs 46,88,888.

c) Direct Assignment and Securitisation

Your Company has done no Direct Assignment and Securitization during the year under review.

CASH FLOW STATEMENT

The Cash Flow Statement for the year ended on March 31, 2021 prepared under the provisions of the Companies Act, 2013 is attached as a part of the Financial Statement of the Company.

SHARE CAPITAL

Authorized Equity Share Capital of the Company :

For the future capital raising, the authorized equity share capital of the Company was increased by 2,00,00,000 equity shares of Rs. 10 each (March 31, 2020: Rs. 30,00,00,000; March 31, 2021: Rs. 50,00,00,000).

Issued, subscribed & paid up Equity Share Capital of the Company :

During the Financial Year under review, your Company had allotted 32,05,128 number of equity shares of Rs 10/- each at a premium of Rs.13.40 per share amounting to Rs. 7.5 Cr, ranking pari passu with the existing shares of the Company on Private Placement basis.

Post allotment of equity shares as aforesaid, the Issued, Subscribed and Paid-up Share Capital of the Company stood at Rs. 25,35,08,630 (Rupees Twenty- Five Crore Thirty-Five Lakh Eight Thousand Six Hundred and Thirty) comprising 2,53,50,863 (Two Crore Fifty-Three Lakh Fifty Thousand Eight Hundred and Sixty-Three) equity shares of Rs. 10 each as on March 31, 2021.

The net worth of the Company as on March 31, 2021, was Rs. 42.46 Cr. During the year under review, the Company has not raised capital in any other manner.

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

The information on the affairs of the Company has been given as part of the Management Discussion & Analysis Report forming part of this Report.

TRANSFER TO RESERVES

Considering the profit by the Company this year, Rs. 9,37,778 has been transferred to the Statutory Reserve as per Section 45-IC of Reserve Bank of India Act, 1934 and an amount of Rs. 1,52,50,511 is the accumulated balance in Statutory Reserve.

DIVIDEND

The Directors of the Company feel that it is prudent to plough back the profits for future growth of the Company and hence do not recommend any dividend for the year ended March 31, 2021

RBI'S REGULATION FOR THE MFI SECTOR :

RBI carved out a separate category of NBFC-MFI exclusively for Micro Finance Institutions in 2012 and conducts a periodic review of the same in respect of pricing and other issues.

The Central Bank has specified maximum limit of margins and interest rates which can be charged by microfinance institutions (MFIs). It has also put in place a code of responsible lending (CRL) and a fair practice code and stipulated acceptable and reasonable methods of recovery of loans by MFIs through various Circulars issued from time to time.

On June 16, 2014, RBI recognized MFIN (Microfinance Institutions Network) as a Self-Regulatory Organization (SRO) for NBFC-MFIs in line with similar Institutions such as IRDA, SEBI,

and AMFI which reflected a very positive and encouraging approach towards microfinance sector.

Janakalyan has adopted a fair pricing philosophy and its lending rate has been linked to the estimated long-term operating cost target rather than the current cost as per the RBI guidelines issued every quarter.

As a policy, Janakalyan extends loans only to women who are engaged in economic activities and thereby ensuring that the money is used for productive purposes. Most of the loans are provided for Income generating activities barring the schemes for health, education, and acquisition of solar devices.

Janakalyan captures the household income and expense details during the group formation stage and verifies its accuracy by cross-checking so that no loan is permitted in cases where the annual income level is over 1,25,000 in the rural area and 2,00,000 in urban/semi urban areas.

OUR CUSTOMERS :

The core philosophy of Janakalyan Financial Services Private Limited (Janakalyan) lies in enriching and empowering low-income groups of women. We strive to balance economic growth with social responsibility to bring about a change that is sustainable and meaningful for those who face financial hardships. In an effort to contribute towards nation-building, we aim to open the doors of opportunity for the unserved and underserved women belonging to the underprivileged sections of rural, semi-urban and urban population striving to improve their standards of living and economic status.

During the year under review, Janakalyan served a total number of 1,10,758 women customers.

BENEFICIARIES :

Direct : Your Company provides small loans directly to women beneficiaries (through Groups)



who are engaged in income-generating activities and having necessary repayment capacity. The income generated out of the business activities directly contributes to their family income.

Indirect : Indirect beneficiaries are entities such as the raw material suppliers, other traders, logistic suppliers and family members of the borrowers, etc who are also indirectly benefitted as a result of our lending activities.

RBI GUIDELINES & SRO

Your Company is registered with Reserve Bank of India (RBI), as a non-deposit NBFC under Section 45-IA of the RBI Act, 1934. As per Non-Banking Finance Companies RBI Directions, 1998, the Directors hereby report that the Company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

As the name of your Company had been changed to Janakalyan Financial Services Private Limited from Janakalyan Consultancy & Services Private Limited, a revised Certificate dated February 06, 2020, with the new name was issued by RBI.

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

CAPITAL ADEQUACY

Your Company is well-capitalized and had a capital adequacy ratio of 42.43% as on March 31, 2021, as against the minimum capital adequacy requirement stipulated for the Company by RBI of 15 % of its aggregate risk-weighted assets.

Your Company Net Owned Funds (NOF) on March 31, 2021, was Rs 42.46 Crores.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board is in accordance with the provisions of Section 149 of the Companies Act, 2013 with an appropriate

combination of Executive Director, Non-Executive Directors, and Independent Directors. The complete list of Directors of the Company has been provided as part of the Corporate Governance Report.

During the year under review

Ms. Bani Saraswati (DIN: 03024536), Independent Director, resigned from the Board of Directors of the Company with effect from June 30, 2020, for personal reasons.

The Board places on record its appreciation for the valuable contribution of Ms. Bani Saraswati in the sustained growth of the Company during her tenure.

As of March 31, 2021, the Company had the following KMPs :

- 1) Mr. Sunanda Kumar Mitra - Whole Time Director
- 2) Mr. Alok Biswas - Managing Director
- 3) Mr. Arup Kumar Dutta - Chief Financial Officer
- 4) Ms. Shivani Agarwal - Company Secretary

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have submitted the declaration of independence, pursuant to the provisions of Section 149(7) of the Act, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence.

The Board expressed its satisfaction that the Independent Directors of the Company possess requisite qualifications, experience, expertise, and hold the highest standards of integrity.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement clause (c) of sub-

section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that :

- a) In the preparation of the annual accounts for the year ended on March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013 have been followed and there are no material departures from the same;
- b) The Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2021 and of the profit of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a 'going concern' basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

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

COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Board periodically evaluates the need for change in its composition and size. The Nomination and Remuneration Committee has

formulated the criteria for determining qualifications, positive attributes and independence of a Director and recommends to the Board, relating to the remuneration for the Directors, Key Managerial Personnel and other employees. The recommendation of the committee is forwarded to the Board for its approval.

As on March 31, 2021, the Board consisted of 5 members which included two Executive Directors, two Independent Directors, and one Nominee Director.

MEETING OF BOARD OF DIRECTORS

The details of the meetings of the Board of Directors of the Company held during the year are mentioned in the Corporate Governance Report (Annexure -II) which is provided separately in this Annual Report.

DETAILS OF COMMITTEES OF BOARD OF DIRECTORS

The details of the Committees of the Board namely the Audit Committee, Nomination and Remuneration Committee and CSR Committee as also their terms of reference and activities during the year under review are elaborated in the Report on Corporate Governance which forms a part of this Report.

Further, there are no instances where the Board has not accepted the recommendations of the Audit Committee.

AUDITORS

(i) Statutory Auditor: Pursuant to the provisions of Section 139(2) of the Act and the Rules made thereunder, the Members at their first Annual General Meeting held on 9th Day of September 2017 had appointed M/s. SRB & Associates, Chartered Accountants as the Statutory Auditors of the Company for a term of five years, i.e. from the conclusion of the first AGM till the conclusion of sixth AGM.



(ii) Secretarial Auditor: The Company is not required to appoint Secretarial Auditor as specified under Section 204 of the Companies Act, 2013 for FY 2020-21.

(iii) Cost Auditors - The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 and accordingly such records are not prepared and maintained.

STATUTORY AUDITORS' REPORT

The Auditors' Report to the Members for the year under review is unmodified and does not contain any qualification. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Act.

COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

DETAILS OF FRAUDS REPORTED BY THE STATUTORY AUDITORS

During the year under review, the Statutory Auditors of the Company have not reported any fraud as required under Section 143(12) of the Companies Act 2013.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on March 31, 2021 in Form MGT 9 has been annexed as Annexure -I to the Director's Report.

DETAILS OF SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE COMPANIES

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

PARTICULARS OF LOANS OR GUARANTEES OR INVESTMENTS

Details of Loans and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in Note to the Financial Statements, and further the Company has not provided any guarantee under Section 186.

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act 2013 and during the year under review were in the ordinary course of business and at an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act 2013.

Details of the related party transactions, which are exempted according to a proviso to Section 188 of the Companies Act 2013, during FY 20-21 are disclosed in the note of the financial statements.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no such material changes which occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of this report like settlement of tax liabilities, major loan pre-closure, changes in the market or regulatory conditions, an institution of cases by or against the Company, sale or purchase of capital assets or destruction of any assets, change in the business, assets, condition (financial or otherwise) or results of operations of the Company taken as a whole which is likely to have an impact on the business of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER SECTION 134 (3) (M) OF THE COMPANIES ACT, 2013

The provisions of Section 134(3)(m) of the Companies Act 2013 relating to conservation of energy and technology absorption do not apply to the Company.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY OPERATIONS IN FUTURE

There are no significant material orders passed by the Regulators, Courts or Tribunals which would impact the going concern status of the Company and its future operations.

DEPOSITS

Your Company is a non-deposit taking NBFC-MFI and has not accepted any deposit as defined by the Companies Act, 2013.

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your Company has in place a formal policy for the prevention of sexual harassment of its employees at the workplace. The Company complies with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has adopted a policy on Sexual Harassment to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment.

Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent,

contractual, temporary, trainees) and customers are covered under this policy. The Company has also complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has also formed Local Complaints Committee in all the States under its operations

Further, during the year under review, there was no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013.

INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

RISK MANAGEMENT POLICY

Your Company has integrated risk management practices into governance and operations and has developed a strong risk culture within the organisation. Appropriate systems and tools are in place for identification, measurement, reporting and managing risks. The Board comprises professional directors with relevant experience and who are well placed to understand risks specific to the Company, and the microfinance sector in general. The Board oversees the implementation of the risk management plan principally through the Risk Management Committee. All the strategies with respect to managing major risks are monitored by an Internal Risk Management Committee through monthly meetings presided by the Managing Director and proceedings of the meeting are reported to the Board. The Risk Management Plan forms the basis for implementation of risk management practices in detail. The risk assessments are carried out regularly at all levels of the organisation to ensure appropriate management actions in a timely fashion.



CORPORATE GOVERNANCE

The Company strives to adopt and adhere to the highest standards of Corporate Governance principles and best practices. With this objective, the Company has put in place various policies, systems, and processes to achieve transparency, high levels of business ethics and compliance with applicable laws. The Board ensures high standards of transparency and accountability in all its activities. The best management practices and a high level of integrity in decision making are followed to ensure long term creation of value for all the stakeholders. A complete Corporate Governance Report is attached to the Directors' Report and annexed as Annexure-II.

CORPORATE SOCIAL RESPONSIBILITY

The Company is at the forefront of Corporate Social Responsibility (CSR) and sustainability initiatives and practices. It believes in making lasting impact towards creating a just, equitable, humane and sustainable society. The Company has been involved with social initiatives in various activities in the field of education, primary healthcare and communities, environment, etc.

As per the provisions of Section 135 of the Companies Act, 2013, companies having net worth of Rs.500 crore or more, or turnover of Rs. 1,000 crore or more or a net profit of Rs.5 crore or more during the immediately preceding financial year are required to constitute a Corporate Social Responsibility (CSR) committee of the Board and such company shall spend at least 2% of the average net profits of the company's three immediately preceding financial years towards CSR activities.

Accordingly, your Company has spent Rs. 5 lacs towards CSR activities during the financial year` 2020-2021. The detail of the CSR Report for the year 2020-21 is attached as "ANNEXURE III" to this Report. Contents of the CSR policy is also available on the Company' s website at <https://www.janakalyan.net/csr.html>.

INFORMATION TECHNOLOGY

Your Company extensively uses Information Technology in its operations to monitor and control different activities. Activities such as loan processing, Accounts and MIS etc. which are technologically driven are obtained from third party providers.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

Your Company is aware of the fact that its employees, members, partners and the vendors that it deals with in course of its business can have an impact on the environment and community, and therefore acknowledges the need for adherence to environmental, social and governance policies consistent with the values of the Company by all parties associated with it.

Your Company has therefore laid out an Environmental, Social and Governance (ESG) Policy which combined with its Fair Practices Code will provide it with the necessary impetus to achieve its desired development in a responsible, inclusive and sustainable manner. The ESG Policy of the Company is driven by its mission to improve the standards of living of millions of Indians engaged in micro, small and medium enterprises across the country through a wide range of financial services, sustainably and transparently, based on mutual respect and understanding.

EMPLOYEE STOCK OPTION PLAN (ESOP)

Presently Employee Stock Option Plan, 2021 is in force. The Nomination and Remuneration Committee of the Board of Directors of the Company administer and monitor the Employee Stock Option Scheme of the Company in accordance with applicable law. Employee Stock Option Plan, 2021 was approved by the Board on January 28, 2021 on the recommendation of Nomination and Remuneration Committee.

WHISTLE BLOWER POLICY OR VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Vigil Mechanism system/Whistle Blower Policy has been established with a view to provide a tool to directors and employees of the Company to report to the management genuine concerns including unethical behaviour, actual or suspected fraud. The Policy provides adequate safeguards against victimization of director(s)/employee(s) who avail of the mechanism. The Company has not received any reference under the said policy during the year.

PARTICIPATION IN CREDIT BUREAU

In order to address the issue of multiple lending or over indebtedness and also to know the credit history of the customer, the Company became the member in all the credit bureaus namely Experian Credit Information Company of India Private Ltd, High Mark Credit Information Services Pvt. Ltd., Equifax Credit Information Services Pvt. Ltd., and Transunion CIBIL Limited and shares all the customer's data with them on regular basis.

FAIR PRACTICE CODE

Your Company has in place a Fair Practice Code (FPC) approved by the Board in compliance with the guidelines issued by RBI, to ensure better service and provide necessary information to customers to take informed decisions. The FPC is available on the website of the Company at <http://www.janakalyan.net/>.

The Board also reviews the FPC every year to ensure its adequacy and appropriateness.

COVID-19 AND ITS IMPACT

The Microfinance sector has been struggling to maintain its viability and sustainability in the wake of the pandemic Covid-19 closely followed by a second wave. The financial regulator in India had been taking measures to counter the impact of

the pandemic on the financial sector. The central bank has been continuously tracking the sector in India and has taken several steps to support the NBFC sector in India and prevent its collapse. The step includes measures to maintain adequate liquidity in the system, facilitate smooth bank credit flow and ease financial strain amidst the deadly virus outbreak.

The Reserve Bank of India's extended a moratorium on loan repayments until August 31, 2020 and TLTRO on Tap Scheme, which was available up to March 31, 2021 and special refinance facilities for a total amount of 75,000 crores were provided during April-August 2020 to all India financial institutions (AIFIs) – the National Bank for Agriculture and Rural Development (NABARD); the Small Industries Development Bank of India (SIDBI); the National Housing Bank (NHB); and the EXIM Bank.

In the course of the pandemic throughout the year under review, your Company has suffered substantial deterioration in portfolio size and quality leading to an abnormal increase in the level of Portfolio At Risk (PAR). To overcome the situation and in order to provide some breathing space to the affected borrowers, your Company allowed rescheduling of loans under the RBI pandemic Forbearance guidelines, permitting these rescheduled loans to be part of the regular portfolio, effectively treating them as performing loans. However, in view of higher provisioning on account of potential Covid-related delinquencies and writing off of NPA loans, there was a substantial decline in the bottom lines of your Company during the year under review. The topline also sustained a major decline due to much lower disbursements during the pandemic months while maintaining collections to the extent possible which were mostly utilized in meeting the repayment commitments of your Company to its lenders.

Communication and interaction with clients got



dramatically impacted during the pandemic. The inability to make site visits for due diligence and monitoring created a need to open up new channels of digital communication. Your Company also started to use various innovative ways to communicate with clients through virtual and telephonic communication.

Further your Company also introduced Digital Collection to offer seamless repayment mechanism to the borrowers and is moving forward to make the loan application entirely online or via mobile phones.

With lockdown and social distancing, regulations substantially impacting the internal work arrangements of microfinance institutions, your Company too instituted work from home and work in smaller teams taking turns in the office, all of which required a major change in the workflows and communication channels.

Despite the challenges and difficulties resulting from the crisis, there are some potentially positive outcomes for the microfinance sector. Out of necessity your Company accelerated digital transformations to be able to operate in the new environment which has facilitated accelerated transition to the new virtual world.

ACKNOWLEDGEMENTS AND APPRECIATION :

The Board of Directors of the Company takes this opportunity to express its deep and sincere gratitude for the support and co-operation from the Borrowers, Banks, Financial Institutions, Investors, the Reserve Bank of India, Ministry of Corporate Affairs, SROs, other Statutory and Regulatory Authorities, and Employees of the Company, for consistent support and encouragement to the Company.

The Board of Directors also places on record its sincere appreciation for the commitment and

hard work put in by the Management and employees of the Company and compliments them for successfully coping with a truly challenging year.

For and on behalf of the Board of Directors



Sunanda Kumar Mitra
Whole Time Director
DIN : 03521074



Alok Biswas
Managing Director
DIN: 03141650

Place : Kolkata,
 Date : 31 / 05 / 2021



FORM NO. MGT 9**EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2021

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

1. REGISTRATION & OTHER DETAILS :

i	CIN	U74999WB2016PTC216823
ii	Registration Date	27-07-2016
iii	Name of the Company	JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED
iv	Category/Sub-category of the Company	NBFC- MFI
v	Address of the Registered office & contact details	183/A, SAHID HEMANTA KUMAR BOSE SARANI KOLKATA Parganas North WB 700074
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No.	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1	NBFC- MFI	64990	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SL No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% Of Shares Held	Applicable Section
1	Not Applicable				

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During The year
	De mat	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual / HUF	0	7780898	7780898	35.13	0	7780898	7780898	30.69	-4.44
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(1)	0	7780898	7780898	35.13	0	7780898	7780898	30.69	-4.44

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During The year
	De mat	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	
2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1) +(A)(2)	0	7780898	7780898	35.13	0	7780898	7780898	30.69	-4.44
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII's	0	0	0	0	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(1)	0	0	0	0.00	0	0	0	0	0.00
2. Non Institutions									
a) Bodies Corp.									
(i) Indian		4675471	4675471	21.11	0	7880599	7880599	31.09	9.97
(ii) Overseas		0	0	0	0	0	0	0	0
b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs.1 lakh	0	0	0	0.00	0	0	0	0	0
(ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh		9689366	9689366	43.75		9689366	9689366	38.22	-5.53
c) Others	0	0	0	0	0	0	0	0	0
Sub-total(B)(2)	0	14364837	14364837	64.87	0	17569965	17569965	69.31	4.44



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During The year
	De mat	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	
Total Public Shareholding (B)= (B)(1) +(B)(2)	0	14364837	14364837	64.87	0	17569965	17569965	69.31	4.44
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	0	22145735	22145735	100.00	0	25350863	25350863	100.00	

(ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year		% change in shareholding during the year		
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares		
1	Sunanda Kumar Mitra	55,00,000	24.84	0	55,00,000	21.70	0	-3.14	
2	Alok Biswas	22,80,898	10.30	0	22,80,898	9.00	0	-1.30	
	Total	77,80,898	35.13	0	77,80,898	30.69	0	-4.44	

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sunanda Kumar Mitra						
	At the beginning of the year	April 1, 2020		55,00,000	24.84		25.84
	Changes during the year			None			
	At the end of the year	March 31, 2021		55,00,000	21.70	55,00,000	21.70
	Alok Biswas						
	At the beginning of the year	April 1, 2020		22,80,898	10.30		10.30
	Changes during the year			None			
	At the end of the year	March 31, 2021		22,80,898	9.00	22,80,898	9.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	SIDBI Trustee Company Limited-A/C Samridhi Fund				
	At the beginning of the year	46,75,471	21.11	46,75,471	21.11
	Increase/ Decrease	0	-2.67	0	-2.67
	At the end of the year			46,75,471	18.44
2.	Sun Tech City Pvt Ltd				
	At the beginning of the year	0	0.00	0	0.00
	Increase/ Decrease	3205128	12.64	32,05,128	12.64
	At the end of the year			32,05,128	12.64
3.	Loknath Agarwalla				
	At the beginning of the year	16,11,509	7.28	16,11,509	7.28
	Increase/ Decrease	0	-0.92	0	-0.92
	At the end of the year			16,11,509	6.36
4.	Susim Mukul Datta				
	At the beginning of the year	13,83,819	6.25	13,83,819	6.25
	Increase/ Decrease		-0.79	0	-0.79
	At the end of the year			13,83,819	5.46
5.	Mayadhar Mahakud				
	At the beginning of the year	11,95,084	5.40	11,95,084	5.40
	Increase/ Decrease		-0.69	0	-0.69
	At the end of the year			11,95,084	4.71
6.	Samir Chimanlal Sanghavi				
	At the beginning of the year	9,09,675	4.11	9,09,675	4.11
	Increase/ Decrease		-0.52	0	-0.52
	At the end of the year			9,09,675	3.59
7.	Manick Deb				
	At the beginning of the year	7,90,000	3.57	7,90,000	3.57
	Increase/ Decrease		-0.45	0	-0.45
	At the end of the year			7,90,000	3.12
8.	Jatin Chimanlal Sanghavi				
	At the beginning of the year	7,21,575	3.26	7,21,575	3.26
	Increase/ Decrease		-0.41	0	-0.41
	At the end of the year			7,21,575	2.85



Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9.	Samiran Chanda				
	At the beginning of the year	6,50,000	2.94	6,50,000	2.94
	Increase/ Decrease		-0.38	0	-0.38
	At the end of the year			6,50,000	2.56
10.	Dilip Kr Saraf (HUF)				
	At the beginning of the year	3,69,000	1.67	3,69,000	1.67
	Increase/ Decrease		-0.21	0	-0.21
	At the end of the year			3,69,000	1.46
	Total Equity Shareholding			1,55,11,261	61.19

(v) Shareholding of Directors & KMP

Sr. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sunanda Kumar Mitra				
	At the beginning of the year	55,00,000	24.84	55,00,000	24.84
	Increase/ Decrease		-3.14		-3.14
	At the end of the year			55,00,000	21.70
2.	Alok Biswas				
	At the beginning of the year	22,80,898	10.30	22,80,898	10.30
	Increase/ Decrease	0	-1.30	0	-1.30
	At the end of the year			22,80,898	9.00
3.	Arup Dutta				
	At the beginning of the year	1,50,000	0.68	1,50,000	0.68
	Increase/ Decrease		-0.09		-0.09
	At the end of the year			1,50,000	0.59

(vi) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,50,15,31,731.00	3,00,00,000.00	-	1,53,15,31,731.00
ii) Interest due but not paid				-
iii) Interest accrued but not due	92,38,287.00	4,31,507.00		96,69,794.00

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Total (i+ii+iii)	1,51,07,70,018.00	3,04,31,507.00		1,54,12,01,525.00
Change in Indebtedness during the financial year				
Additions	63,70,00,000.00			63,70,00,000.00
Reduction	1,17,67,38,030.00			1,17,67,38,030.00
Net Change	-53,97,38,030.00			-53,97,38,030.00
Indebtedness at the end of the financial year				
i) Principal Amount	96,17,93,701.00	3,00,00,000.00		99,17,93,701.00
ii) Interest due but not paid				
iii) Interest accrued but not due	35,33,974.00	4,45,890.00		39,79,864.00
Total (i+ii+iii)	96,53,27,675.00	3,04,45,890.00		99,57,73,565.00

(vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager	
		Whole-time Director- Sunanda Kumar Mitra	Managing Director- Alok Biswas
1.	Gross salary		
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax. 1961.	34,50,000.00	39,00,000.00
	(b) Value of perquisites u/s 17 (2) of the Income tax Act, 1961		
	(c) Profits in lieu of salary under section 17 (3) of the Income Tax Act, 1961	-	-
2.	Stock option		
3.	Sweat Equity	-	-
4.	Commission as % of profit	-	-
	Others (specify)	-	-
5.	Others, please specify	-	-
	Total	34,50,000.00	39,00,000.00



B. Remuneration to other directors :

Sr. No.	Particulars of Remuneration	Name of the Directors		
		Bani Saraswati	Atanu Sen	Asok Kumar Das
1.	Independent Directors			
	(a) Fee for attending board committee meetings	40,000.00	90,000.00	1,90,000.00
	(b) Commission	0.00	0.00	0.00
	(c) Others, please specify	0.00	0.00	0.00
	Total (1)	40,000.00	90,000.00	1,90,000.00
2.	Nominee Directors	SIDBI Venture Capital Ltd		
	(a) Fee for attending board committee meetings	1,10,000.00		
	(b) Commission	0.00		
	(c) Others, please specify	0.00		
	Total (2)	1,10,000.00		
	Total (B) = (1+2)	4,30,000.00		
	Total Managerial Remuneration			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Chief Financial Officer- Arup Kumar Dutta	Company Secretary - Shivani Agarwal
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	22,23,840.00	5,33,520.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission as % of profit		
	others, specify		
5.	Others (Variable Bonus)	2,29,000.00	
	Total	24,52,840.00	5,33,520.00

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There was no penalties/punishment/compounding of offences under the Companies Act, 2013 for the year ending March 31, 2020.



Sunanda Kumar Mitra
Wholetime Director
DIN : 03521074



Alok Biswas
Managing Director
DIN : 03141650

Place : Kolkata
Date : 28-08-2020

ANNexURe - II

CORPORATE GOVERNANCE

Corporate Governance is more than just adherence to the statutory and regulatory requirements. It is equally about focusing on voluntary practices that underlie the highest levels of transparency & propriety. It is an integral element of Company's value system, management, ethos and business practices. Good Corporate Governance is a continuing exercise and the Company is committed to ensure the same by focusing on strategic and operational excellence in the overall interest of its all stakeholders.

The Company's philosophy on corporate governance oversees business strategies and ensures transparent fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. Janakalyan has established a strong foundation for ensuring Corporate Governance as a way of life by having persons of eminence and integrity at Board and leadership levels, including competent professionals across the organization and putting in place best systems, processes and technology.

The Company believes that Corporate Governance is a tool to generate long term wealth and create values for all its stakeholders. The Company follows highest standards of Corporate Governance practices which are driven by timely disclosures, transparent corporate policies and high levels of integrity in decision making. Over the years, we have strengthened governance practices.

A detailed report on the Company's commitment at adopting sound Corporate Governance Practices is shared below -

BOARD OF DIRECTORS ("BOARD"):

The Corporate Governance framework of the Company is based on an effective Board with Independent Directors, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees for various functions including those as required under the law. We believe that an active and well-informed Board is integral to ensuring the highest standards of Corporate Governance.

BOARD COMPOSITION

As on March 31, 2021, our Board had 5 members, 2 of whom are Executive Directors, 3 Non-Executive Directors out of which 2 are Independent Directors and 1 Nominee Woman Director. The Independence of a Director is determined by the criteria stipulated under Section 149 of the Companies Act, 2013 ("Act") and the maximum tenure of independent directors is in compliance with the Act. During the year under review, all Independent Directors have confirmed and submitted declaration to the effect that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013. Independent Directors have also submitted declarations for the financial year 2021-22 confirming that they continue to meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013. The Board has taken on record the declarations submitted by the Independent Directors.



The Executive, Independent Directors and Nominee Directors are eminent professionals, drawn from amongst persons with expertise in business, finance, law, and other key functional areas and play a critical role in enhancing balance to the Board processes besides providing the Board with valuable inputs. The Board represents an optimal mix of professionalism, knowledge and experience.

BOARD MEETINGS & ATTENDANCE :

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness, and ensures that shareholders' long-term interests are being served.

The Company's internal guidelines for Board / Committee meetings facilitate decision-making process at its meetings in an informed and efficient manner. The Company decides about the Board meeting dates in advance in consultation with Board of Directors and the respective committee members. Once approved, the schedule of the Board meetings and Committee meetings is communicated to the Directors to enable them to attend the meetings.

The Company Secretary drafts the agenda for each meeting, along with explanatory notes, in consultation with the Chairman and the Managing Director, and distributes these in advance to the Directors and the respective Committee Members who may suggest the inclusion of additional items in the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda, and also on the occasion of the Annual General Meeting (AGM). Additional meetings are held whenever necessary. The board has unrestricted access to all Company-related information, including that of our employees. At the Board meetings, CFO, Heads of Department, and Representatives who can provide additional insights into the items being discussed are invited as needed.

As a practice, the Company Secretary communicates all important decisions taken by the Board Members/ Committee Members to the functional heads of the concerned departments. An Action Taken Report (ATR) on the decisions taken and matters discussed in the previous meeting is outlined and placed in the succeeding meeting of the Board/ Board Committee for necessary consideration/ information and noting.

There are no inter-se relationships between the Board of Directors of the Company.

During the Financial Year 2020-2021, the board met 7 (Seven) times on June 03, 2020, June 25, 2020, August 28, 2020, December 14, 2020, February 08, 2021, February 18, 2021 and March 08, 2021 respectively. The details of the board meetings along with the attendance of each Director at the respective Board Meeting are tabled below:

Sl. No.	Name of the Director	Category of Directors	No. of meetings held in FY 20-21	No. of meetings attended in FY 20-21	Whether attended last AGM (30 th September 2020)	Date of Appointment	Date of Resignation
1.	Mr. Sunanda Kumar Mitra DIN: 03521074	Whole-Time Director	Seven	Seven	Yes	27/07/2016	-
2.	Mr. Alok Biswas DIN: 03141650	Managing Director	Seven	Seven	Yes	27/07/2016	-
3.	Mr. Asok Kumar Das DIN: 00288606	Independent Director	Seven	Three	Yes	27/04/2019	-
4.	Ms. Bani Saraswati DIN: 03024536	Independent Director	Seven	Two	No	01/07/2017	30/06/2020
5.	Mr. Atanu Sen DIN: 05339535	Independent Director	Seven	Six	Yes	13/07/2018	-
6.	Ms. Dhara Jitendra Mehta DIN: 07410469	Nominee Director	Seven	None	No	09/08/2019	-

* Ms. Bani Saraswati resigned from the post of Independent Director of the Company w.e.f. 30.06.2020.

1. None of the Directors held directorships in more than ten (10) public limited companies;
2. None of the Directors is related to any Director or is a member of an extended family;
3. None of the employees of the Company is related to any of the Directors;
4. None of the Directors has received any loans or advances from the Company during the year.

DETAILED REASONS FOR RESIGNATION OF INDEPENDENT DIRECTORS :

During the year, Ms. Bani Saraswati has resigned w.e.f. June 30, 2020 from the directorship of the Company due to her pre-occupation in other engagements and indifferent health.

COMPOSITION OF COMMITTEES :

The Company, as on March 31, 2021 had three committees, Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

The Company's guidelines relating to Board meetings are applicable to Committee meetings. Minutes of proceedings of Committee meetings are circulated to the committee members and placed before Board meetings for noting.

Each Committee of the Board is guided by its Charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for information or approval. During the financial year, the Board has accepted the recommendations of Committees on matters where such a recommendation is mandatorily required. There have been no instances where such recommendations have not been considered.

The Committees of the Board meet at regular intervals and have the requisite subject expertise to handle and resolve matters expediently. The Board oversees the functioning of the Committees. The Chairman of the respective Committee briefs the Board on significant discussions and decisions taken at their



respective meetings. Minutes of the Committee Meetings are placed in the subsequent Board Meeting for their noting.

The Company Secretary acts as a Secretary to all the Committees of the Board. Detailed terms of reference, composition, meetings and other information of each of the Committee of the Board are detailed herein below :

a. Audit Committee

The Audit Committee is set up with the primary objective to monitor and provide an effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting as a measure of good Corporate Governance and also to meet the statutory provisions of the NBFC Regulations and Companies Act, 2013.

Majority of the members of the Committee are Independent Directors and all the members of the Audit Committee have the required experience and expertise for appointment on the Committee and possess requisite knowledge of accounting and financial management.

The Company Secretary acts as Secretary to this Committee.

Audit Committee Composition :

Sl. No.	Name	Chairman / Members
1.	Mr. Asok Kumar Das	Chairman
2.	Mr. Atanu Sen	Member
3.	Ms. Dhara Jitendra Mehta	Member

As on March 31, 2021 the Committee comprised of two (2) Independent Directors, one (1) Nominee Director all of whom are competent and have relevant finance exposure. The Chairman, Managing Director and the Chief Financial Officer are permanent invitees to the meetings of the Committee.

The Audit Committee met four (4) times during the year on June 03, 2020, August 28, 2020, December 14, 2020 and February 08, 2021 respectively. The time gap between any two meetings was less than 120 days.

Attendance of Directors :

Sl. No.	Name of the Member	Position	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Asok Kumar Das	Independent Director	Four	Two
2.	Mr. Atanu Sen	Independent Director	Four	Four
3.	Ms. Dhara Jitendra Mehta	Nominee Director	Four	Two

Terms of Reference of the Audit Committee are as follows :

A) Financial Reporting

The Committee shall review the following

- I. Changes if any, in accounting policies and practices and reasons for the same
- II. Major accounting entries involving estimates based on the exercise of judgment by management
- III. Compliance with accounting and other legal requirements relating to financial statements.
- IV. Disclosure of any related party transactions
- V. Qualifications in the draft audit report
- VI. Review of procedures relating to the risk identification and risk mitigation measures to ensure the senior management controls risk through a properly defined framework
- VII. Forecasting and analyzing the asset liability gap and also preparation of contingency plans.
- VIII. ALM reporting compliances
- IX. Review and monitor the findings and recommendations of the internal auditor.

Besides, the audit committee shall oversee the vigil mechanism. The vigil mechanism shall provide for adequate safeguard against victimization of employees and directors who oversee the vigil mechanism.

The Committee also reviews the quarterly financial statements (unaudited) and places the same before the Board for necessary approval.

b. Nomination & Remuneration Committee

Pursuant to the regulations framed by Reserve Bank of India, the Company being a Non-Deposit taking Non-Banking Finance Company has a Nomination & Remuneration Committee for the appointment of Directors of the Company.

The Nomination and Remuneration Committee functions in accordance with section 178 of the Companies Act, 2013, and its functions also include recommending to the Board the quantum of remuneration (including performance bonuses and incentives) payable to employees and recommending of grant of ESOPs to employees of the Company along with the Key Managerial Personnel. The Committee is headed by an Independent Director. Other responsibilities of the Committee include helping, managing and advising on appropriate organisation structure, review and approve HR policies, oversee employee engagement and training programs and any other HR related issues.

Nomination & Remuneration Committee Composition :

Sl. No.	Name	Chairman / Members
1.	Mr. Atanu Sen	Chairman
2.	Mr. Asok Kumar Das	Member
3.	Ms. Dhara Jitendra Mehta	Member



As on March 31, 2021 the Committee comprised two (2) Independent Directors and one (1) Nominee Director. The Chairman, Managing Director and the Chief Financial Officer are permanent invitees to the meetings of the Committee.

The Company Secretary acts as the secretary to the Committee.

The Committee met once during the year on, 14 December 2020.

Attendance of Director (NRC) :

Sl. No.	Name of the Member	Position	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Atanu Sen	Independent Director	One	One
2.	Mr. Asok Kumar Das	Independent Director	One	None
3.	Ms. Dhara Jitendra Mehta	Nominee Director	One	One

Terms of Reference

The Company has in place the Nomination and Remuneration Committee in compliance with RBI guidelines on Corporate Governance and it broadly includes the following:

- i. Responsible for making recommendations on board appointments, and on maintaining a balance of skills and experience on the board and its committees.,
- ii. Ensuring process of “due diligence” to determine the suitability of any nominee for appointment/continuing to hold position, as a Director on the Board based upon his/her qualification, expertise, track record, integrity and other fit and proper criteria.,
- iii. to satisfy itself with regard to succession planning, that processes and plans are in place with regard to both Board and senior management appointments;
- iv. to ensure that upon appointment, all non-executive directors receive formal written terms of appointment,
- v. to ensure that items that should be published in the Company's Annual Report relating to the activities of the Nomination & Remuneration Committee, are included in that Report,
- vi. Ensuring that the bonus plan (if any) is administered in a manner consistent with Company's compensation principles and strategies including ESOP administration etc.,
- vii. Annual appraisal of the performance of the Managing Director and fixing his terms of remuneration,
- viii. Review annually and approve the Company's compensation strategy.

c. Corporate Social Responsibility Committee :

Corporate Social Responsibility Committee monitors the overall CSR Activities of the Company. It provides guidance on various areas where CSR activities can be carried out.

Composition :

Sl. No.	Name	Chairman / Members
1.	Ms. Bani Saraswati	Chairman
2.	Mr. Sunanda Kumar Mitra	Member
3.	Mr. Atanu Sen	Member

The Committee was reconstituted on August 28, 2020 consequent to the resignation of Ms. Bani Saraswati.

Reconstitution of Committee :

Sl. No.	Name	Chairman / Members
1.	Mr. Sunanda Kumar Mitra	Chairman
2.	Mr. Asok Kumar Das	Member
3.	Mr. Atanu Sen	Member
4.	Mr. Alok Biswas	Member

During the financial year under review, the Committee met once on 30th March, 2021.

Attendance of Directors :

Sl. No.	Name of the Member	Position	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Sunanda Kumar Mitra	Whole Time Director	One	One
2.	Mr. Asok Kumar Das	Independent Director	One	One
3.	Mr. Atanu Sen	Independent Director	One	None
4.	Mr. Alok Biswas	Managing Director	One	One

Terms of Reference

The terms of reference of the Corporate Social Responsibility Committee include:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above; and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time to ensure that the CSR policy is duly adhered to and in compliance with the Act in force.

General Body Meetings :

Details of location and time, where last three Annual General Meetings held are given below :



Financial Year	Venue	Date	Time
2020-2021	Video Conferencing	30 th September 2020	11.00 AM
2019-2020	CD-193, 1 st Floor, Salt Lake City, Kolkata-700064	07 th September 2019	11.00 AM
2018-2019	CD-193, 1 st Floor, Salt Lake City, Kolkata-700064	19 th September 2018	11.30 AM

The following business items were approved by Special Resolution in the last three AGMs, and were passed with the requisite majority:

2018-2019

Appointment of Mr. Asok Kumar Das as an Independent Director.

Extra Ordinary General Meetings :

The details of Extra Ordinary General Meetings (EGM) of the shareholders held during the last 3 financial years are given below :

Financial Year	Venue	Date	Time
2020-2021	Video Conferencing	26 th June 2020	11.00 AM
		10 th February 2021	03.00 PM
2019-2020	No meeting during the Year		
2018-2019	CD-193, 1 st Floor, Salt Lake City, Kolkata - 700064	22 nd October 2018	11.30 AM
		06 th November 2018	10.30 AM
		17 th December 2018	03.00 PM
		30 th March 2019	10.00 AM

The following business items were approved by Special Resolution in the last three EGMs, and were passed with the requisite majority :

2020 - 2021 :

- 1) Change of Object Clause of the Memorandum of Association of the Company
- 2) Issue of Equity Shares on a Preferential Basis through Private Placement and Increase in the Authorised Share Capital of the Company and Consequent alteration to Clause V of the Memorandum of Association of the Company.

2018 - 2019 :

- 1) Amendment of article of association for equity infusion by private placement
- 2) Alteration in Memorandum & Articles for the change of name of the Company from Janakalyan Consultancy & Services Private Limited to Janakalyan Financial Services Private Limited.
- 3) Issuance and offer of Equity Shares on a Private Placement basis
- 4) Issuance and offer of Equity Shares on a Private Placement basis.

All the proposed resolutions were passed by the shareholders as set out in their respective notices. During the Financial year, no resolution was passed through Postal Ballot.

General Shareholders Information

Company Registration details :

The Company is registered with the Registrar of Companies, Kolkata, West Bengal and operates in six States in India at present, West Bengal, Assam, Bihar, Jharkhand, Odisha and Tripura.

CIN: U74999WB2016PTC216823.

RBI registration no: N-05.07035.

5th Annual General Meeting date, time and venue :

Date & Time : 20th of September, 2021 at 3.00 p.m.

**Venue : CD-193, 1st Floor,
Salt Lake City, Kolkata-700064**

Financial Year : April 01, 2020 to March 31, 2021

Distribution of Shareholdings :

Range of Holdings	Number of Shares	Amount (INR)	% to Capital	Number of Shareholders	% of Shareholders
1 to 50,000	96154	961540	0.38	5	20.83
50,000 to 1,00,000	61550	615500	0.24	1	4.17
Above 1,00,000	21988031	25193159	99.38	18	75.00

Address for Correspondence

Janakalyan Financial Services Private Limited

(Formerly : Janakalyan Consultancy & Services Private Limited)

Registered Office : 183/A, Sahid Hemanta Kumar Bose Sarani, Kolkata-700074

Head Office : CD-193, 1st Floor, Sector-1, Salt Lake City, Kolkata-700064

Tel. No. : 033 2337 0123

Email address : cs@janakalyan.net

Website : www.janakalyan.net

Means of Communication

All important information relating to the Company and its performance, including financial results, are posted on the website of the Company: www.janakalyan.net



ANNexURe - III

Annual Report on CSR Activities to be Included in the Board's Report

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

Janakalyan Financial Services Private Limited (JFSPL) believes that a business entity's performance must be measured by its economic, social and environmental impact and efforts to embed sustainability. Social enterprises are more than any other business enterprise, capable of addressing these concerns and JFSPL aspires to transcend business interests and work toward the all-round human development of the communities we operate in through initiating and supporting programmes that enhance social sustainability. In alignment to JFSPL's mission to empower the underserved, we see Corporate Social Responsibility (hereinafter referred to as CSR) as an opportunity to further extend help to the underserved in the larger community through the provision of non-profit based assistance.

The CSR Policy is displayed on our website in the link :<https://www.janakalyan.net/csr.html>

The CSR projects in JFSPL are implemented under the guidance of the Board's Committee on CSR which presently comprises four directors out of which two are Independent Directors. The terms of reference of the Committee are given below:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to Companies Act, 2013;
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above; and
- c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

2. The Composition of the CSR Committee :

The CSR Committee comprised Four (4) Members including Two (2) Independent Directors. The committee consists of the following members:

Sl. No.	NAME	DESIGNATION
1	Mr. Sunanda Kumar Mitra	Chairman
2	Mr. Alok Biswas	Member
3	Mr. Atanu Sen	Member
4	Mr. Asok Kumar Das	Member

3. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014**

Not Applicable

4. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

INR 22,908.88

5. **Average net profit of the company as per section 135(5).**

INR 2,38,54,556.33

6. a) **Two percent of average net profit of the company as per section 135(5)**

INR 477091.12

- b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years**

Nil

- c) **Amount required to be set off for the financial year,**

Nil

- c) **Total CSR obligation for the financial year (a+b+c).**

INR 477091.12

7. (a) **CSR amount spent or unspent for the financial year :**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
500,000.00	0	NA	PM CAREs Fund	5,00,000.00	April, 2020

- (b) **Details of CSR amount spent against ongoing projects for the financial year :**

Nil

- (c) **Details of CSR amount spent against other than ongoing projects for the financial year :**

Nil

- (d) **Amount spent in Administrative Overheads**

Nil

- (e) **Amount spent on Impact Assessment, if applicable**

Not Applicable

- (f) **Total amount spent for the Financial Year (b+c+d+e)**

Nil

- (g) **Excess amount for set off, if any**



Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	477091.12
(ii)	Total amount spent for the Financial Year	500,000.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	22908.88
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	22908.88

8. a) Details of Unspent CSR amount for the preceding three financial years :

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.	NOT APPLICABLE						
	TOTAL						

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s) :

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (inRs.).	Amount spent on the project in the reporting Financial Year(in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project- Completed /Ongoing.
1.	NOT APPLICABLE							
	TOTAL							

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. (asset-wise details).

a) Date of creation or acquisition of the capital asset(s).

Not Applicable.

b) Amount of CSR spent for creation or acquisition of capital asset.

Not Applicable.

c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

Not Applicable.

d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Not Applicable.

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Not Applicable.



INDEPENDENT AUDITOR S REPORT

**TO THE MEMBERS OF "JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED
(Formerly Janakalyan Consultancy & Services Pvt. Ltd).**

Report on the Audit of the Financial Statements.

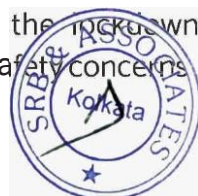
Opinion :

We have audited the accompanying financial statements of **JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss and statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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

Emphasis of Matter :

We draw attention to the financial results with related to COVID-19 that has caused significant disruptions in the business operations of companies across India and has caused significant accounting and auditing challenges. One such challenge being inability for the Company to recovery of Loan since Government imposed restrictions during the lockdown on account of health, travel and safety concerns



The extent to which the COVID-19 pandemic will impact the Company's provision on assets and future results will depend on the future developments, which are highly uncertain. Hence the impact of the pandemic may be different from that estimated as at the date of approval of these financial results.

Basis for Opinion :

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, 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 audit opinion on the financial statements.

Key Audit Matters :

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the statements of the current

period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

SI No.	Key Audit Matter	Auditor's Response
1.	Classification of Micro Finance Loan Portfolio.	<p>Principal Audit Procedures</p> <p>a. We assessed the company's procedure to identify the portfolio loan quality.</p> <p>b. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing of the follows.</p> <p>i. Evaluated the design of internal controls relating to early assessment of Loan default cases.</p> <p>ii. Selected a sample of Loan Portfolio and tested the effectiveness of the internal control.</p>
2.	<p>Provision for Loan/credit losses :</p> <p>The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the area where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.</p> <p>We identified Provisions for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses.</p> <p>Refer Notes 20,21 and 22 to the financial statements.</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures related to the Provision for credit losses against Micro Loan Portfolios:</p> <p>We tested the effectiveness of controls over the (1) development of the methodology for the Provision for Loan losses, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of the allowance for credit losses. For a sample of customers:</p> <p>We tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information.</p> <p>We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.</p>



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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements :

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



the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be



communicated in our report because the adverse consequences of doing so would

Report on Other Legal and Regulatory Requirements

- i. 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 knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flows dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from Directors as on March 31, 2021, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B to this report;
 - g. With respect to the other matters to be included in the Auditor's Report in

accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations as on 31st March 2021.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For SRB & Associates
Chartered Accountants Firm
Registration No: 310009E**



**Biswanath Paul
Partner**

M. No. 068186

UDIN:21068186AAAAEH6520

Date : 31/05/2021

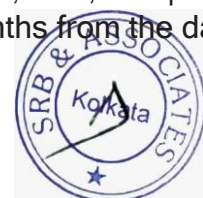
Place: Kolkata



Annexure referred to in paragraph 2 under the heading "Report on other legal and regulatory requirements" of our Report of even date, we report that:

Re : "JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED".

- I. In respect of fixed assets:
- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- c. According to the information and explanations given by the management, there are no immovable properties included in fixed assets of the company and accordingly the requirements under clause 3(i)(c) of the order are not applicable to the Company.
- II. In respect of Inventories :
- The company's business does not involve inventories. Accordingly the requirements under paragraph 3(ii) of the order are not applicable to the Company.
- III. In respect of Loan :
- According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms Limited Liability Partnerships or other parties covered in the register maintained under section 189 of Companies Act, 2013. Accordingly the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- IV. In our opinion and according to the information and explanations given to us, the company has not granted loans or provided any guarantee or security to parties covered
- under section 185 of the company act, 2013.
- Since the company is a Non-Banking Financial Company-Micro Finance Institution engaged in the business of providing loans, it is exempted under section 186(11) of the companies Act 2013 and hence the provisions of section 186 are not applicable to the company.
- V. The company has not accepted any deposits from the public.
- VI. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the services rendered by the company.
- VII. In respect of Statutory dues :
- a. According to the records of the company the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, Service Tax, sales tax, custom duty, excise duty and Cess were in arrears, as at 31st March, 2021, for a period of more than six months from the date they became payable."



- c. According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and Cess which have not been deposited on account of any dispute.
- VIII. In our opinion and according to the information and explanations given by the management, the company has not defaulted in repayment of dues to a financial institution, bank or Government.
- IX. According to the information and explanation given by the management, the company has not raised any money by way of initial public offer or further public offer, hence not commented upon.
Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- X. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no material fraud by the company or on the company by the officers and employees of the company has been noticed or reported during the year.
- XI. According to the information and explanations given by the management, the managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197, read with schedule V to the Act.
- XII. In our opinion, the company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the company and hence not commented upon.
- XIII. According to the information and explanations given by the management, transactions with the related parties are in Compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- XIV. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting requirements under clause 3 (xii) are not applicable to the company and, not commented upon.
- XV. According to the information and explanations given by the management, the company has not entered into any non-cash transaction with directors or persons connected with him.
- XVI. According to the information and explanations given to us, we report that the company has registered as required, under section 45-1A of the Reserve Bank of India Act, 1934.

**For SRB & Associates
Chartered Accountants
Firm Registration No: 310009E**



**Biswanath Paul
(Partner)**

M. No. 068186

UDIN:21068186AAAAEH6520



Place : Kolkata

Date : 31/05/2021

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to In paragraph 1 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

Report on internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

To the Members Of "JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED".

We have audited the internal financial controls over financial reporting of "**JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED**", as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

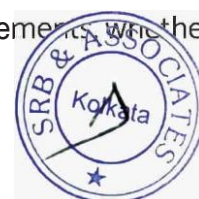
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over

financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 internal financial controls system over financial reporting.

Meaning of Internal Financial controls over Financial Reporting ;

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SRB & Associates
Chartered Accountants
Firm Registration No: 310009E**









**Biswanath Paul
(Partner)**

M. No. 068186







UDIN:21068186AAAAEH6520






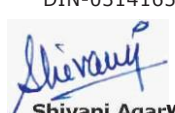
Place : Kolkata
Date : 31/05/2021



JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED			
		₹	₹
BALANCE SHEET AS AT	Note	31ST MARCH, 2021	31ST MARCH, 2020
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	25,35,08,630	22,14,57,350
Reserves & Surplus	4	17,10,33,610	12,34,33,880
		42,45,42,240	34,48,91,230
NON-CURRENT LIABILITIES			
Long Term Borrowings	5	19,95,29,704	44,85,91,921
Deferred Tax Liability (Net)		2,34,956	2,34,000
Long term provisions		31,92,967	20,52,904
		20,29,57,627	45,08,78,825
CURRENT LIABILITIES			
Short Term Borrowings	6	8,48,10,833	15,23,55,923
Trade Payables	7	51,58,191	61,68,584
Other Current Liabilities	8	71,60,79,918	94,64,62,685
Short Term Provisions	9	3,20,90,194	5,14,15,213
		83,81,39,136	1,15,64,02,405
TOTAL		1,46,56,39,003	1,95,21,72,460
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	10		
-Tangible Assets		73,98,690	82,96,143
-Intangible Assets		20,65,303	25,76,030
Long term loans and advances	11	50,92,75,993	34,42,38,146
		51,87,39,986	35,51,10,319
CURRENT ASSETS			
Cash and Cash Equivalents	12	11,69,56,230	12,87,24,248
Short term loans and advances	13	67,32,94,842	1,39,06,83,751
Other current assets	14		
		94,68,99,017	1,59,70,62,141
TOTAL		1,46,56,39,003	1,95,21,72,460
Significant Accounting Policies and Notes 1 & 2			
The accompanying notes are forming an integral part of these Financial Statements			
For SRB & Associates Chartered Accountants Firm Registration No. 31009F   Biswanath Paul (Partner) M. No.068186 UDIN:21068186AAAAEH6520 Date :31/05/2021 Place:Kolkata		For and on behalf of the Board of Directors  Sunanda Kr. Mitra Chairman DIN-03521074  Arup Kumar Dutta Chief Financial Officer	
		 Alok Biswas Managing Director DIN-03141650  Shivani Agarwal Company Secretary M.No. A42303	



JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED			
		₹	₹
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED		31ST MARCH, 2021	31ST MARCH, 2020
Revenue from Operations	Note 15	31,88,60,401	32,08,80,169
Other Income	16	6,41,85,334	8,81,71,869
Total Revenue		38,30,45,735	40,90,52,038
EXPENSES			
Employee Benefits Expenses	17	8,33,19,963	7,55,71,260
Depreciation	10	24,35,733	22,23,635
Finance Cost	18	20,16,87,401	19,30,85,328
Other Expenses	19	7,51,49,667	3,78,98,913
Provisions and Write-offs	20	1,10,39,677	1,53,48,616
Total Expenses		37,36,32,442	32,41,27,752
Profit before Tax		94,13,293	8,49,24,286
Tax Expenses:			
(1) Current Tax		47,61,321	2,38,74,120
(2) Deferred Tax (Assets)/Liabilities		956	56,000
(3) Tax of Earlier Years		-	8,04,616
Total Tax Expenses		47,62,277	2,47,34,736
Profit for the Year		46,51,016	6,01,89,550
Earning Per Equity Share			
(1) Basic		0.21	2.86
(2) Diluted		0.21	2.86
Significant Accounting Policies and Notes 1 & 2			
The accompanying notes are forming an integral part of these Financial Statements			
For SRB & Associates Chartered Accountants Firm Registration No. 310009E   Biswanath Paul (Partner) M. No.068186 UDIN:21068186AAAAEH6520 Date :31/05/2021 Place:Kolkata		For and on behalf of the Board of Directors  Sunanda Kr. Mitra Chairman DIN-03521074  Arup Kumar Dutta Chief Financial Officer	
		 Alok Biswas Managing Director DIN-03141650  Shivani Agarwal Company Secretary M.No. A42303	

JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED		
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021		
Particulars	2020-21	2019-2000
	RUPEES (₹)	RUPEES (₹)
Cash Flow From Operating Activities :		
Profit Before Tax and extraordinary items	94,13,293	8,49,24,286
Adjustments for :		
Loan Loss Provisions	1,10,39,677	1,53,48,616
Depreciation	24,35,733	22,23,635
Minimum Alternate Tax	-	(8,04,616)
Operating Profit Before Working Capital Changes	2,28,88,704	10,16,91,921
(Increase)/Decrease in Micro Finance Loans	68,89,83,307	(54,48,90,952)
(Increase)/Decrease in Other Loans & advances	2,84,05,602	(2,52,39,345)
(Increase)/Decrease in Non Current Assets	(16,50,37,847)	(13,15,13,137)
(Increase)/Decrease in Other Current Assets	(7,89,93,803)	(3,95,89,800)
Increase/(Decrease) in Trade Payable's	(10,10,393)	41,774
Increase/(Decrease) in Current Liabilities	(72,52,044)	38,30,508
Increase (Decrease) in Provision for Taxation	(3,39,85,956)	-
Net Cash Provided By/(Used In) Operating Activities (A)	45,39,97,570	(63,56,69,031)
Cash Flow From Investing Activities		
Purchases of Fixed Assets	10,27,553	52,31,494
Net Cash Provided By/(Used In) Investing Activities (B)	(10,27,553)	(52,31,494)
Cash Flow From Financing Activities :		
Increase in Borrowings	(53,97,38,030)	40,42,14,477
Proceeds From Issuance of Share Capital	7,49,99,995	3,73,26,316
Net Cash Provided By/(Used In) Financing Activities (C)	(46,47,38,035)	44,15,40,793
Net Increase In Cash And Cash Equivalents (A+B+C)	(1,17,68,018)	(19,93,59,732)
Cash And Cash Equivalents At The Beginning of The Year	12,87,24,248	32,80,83,980
Cash And Cash Equivalents At The End of The Year	11,69,56,230	12,87,24,248
Cash And Cash Equivalents Comprises of :		
1. Cash In Hand	18,13,846	4,76,260
2. Balances With Scheduled Banks	11,51,42,384	12,82,47,988
	11,69,56,230	12,87,24,248
<i>As per our report of even date annexed herewith</i>		
<p>For SRB & Associates Chartered Accountants Firm Registration No. 310009E</p>   <p>Biswanath Paul (Partner) M. No.068186 UDIN:21068186AAAAEH6520 Date :31/05/2021 Place:Kolkata</p>	<p>For and on behalf of the Board of Directors</p>  <p>Sunanda Kr. Mitra Chairman DIN-03521074</p>  <p>Arup Kumar Dutta Chief Financial Officer</p>	 <p>Alok Biswas Managing Director DIN-03141650</p>  <p>Shivani Agarwal Company Secretary M.No. A42303</p>



JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

Note-1 NATURE OF OPERATION:

JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED" (here in after refers as the Company or JFSPL) Is engaged In Micro Finance lending activities for providing financial services to economically weaker section in the rural and urban areas of India. JFSPL provides small value collateral free loans for income generating activities, solar loan and education loan to economically weaker section according to the guidelines of Reserve Bank of India vide Notification No. DNBS.CC.PD.No. 250/03.10.01/2011-12 dated 2nd December, 2011.

All financial transactions are conducted in group meetings organised near the inhabitats of these women. The operations, in the initial stages of group formations, involves efforts on development training on financial discipline, and later constant monitoring through meetings and providing financial and support services at the doorstep of the borrowers to ensure high rate of recovery.

Note-2 SIGNIFICANT ACCOUNTING POLICIES:

2.01 Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principle in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read with paragraph 7 of the Companies (Accounts) Rule 2014 and the provisions of the Reserve Bank of India (RBI) as applicable to a Non Banking Financial Company. The Financial Statements are prepared under historical cost convention, on accrual basis except interest/discount on a loan which have been classified as Non Performing Assets and is accounted for on cash basis.

2.02 Use of Estimates

The preparation of Financial Statements In conformity with the Generally Accepted Accounting Principles (GAAP) requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the Financial Statement and the result of the operations during the reporting year end. Although these assumptions are made as per the Management's best knowledge of current events and actions, actual result may differ from these estimates.

2.03 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 In the preparation of these financial statements including the recoverability of financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

2.04 Tangible Assets

All Tangible Fixed Assets have been stated at historical cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation .

Depreciation on Tangible Fixed Assets has been provided on the straight-line method over the useful lives of assets estimated by the Management, which is consistent with the useful lives prescribed under Part 'C' of Schedule II of Companies Act, 2013. Intangible assets are amortised over their estimated useful lives on a straight-line basis. The management estimates the useful lives of the Fixed assets as follows.

Classes of Assets	Useful Lives
Office Equipment	8 Years
Computer & Software	3 Years
Furniture and Fixtures	10 Years

2.05 Intangible Assets acquired separately are measured on initial recognition at cost. Following recognition, intangible assets are carried at cost less accumulated amortization.

2.06 Borrowing Cost

Interest on borrowing is recognised on time proportion basis taking into account the amount outstanding and the rate applicable on the borrowing.



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Audited Financial Statement as on 31.03.2021

JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

2.07 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- (i) Interest income on loans is recognised on accrual basis. Interest on Non-Performing Assets (NPA) Is recognised only when realized.
- (ii) All other income is recognised on accrual basis.

2.08 Retirement and other Employee Benefits

- (i) The monthly contribution towards Provident Fund is charged to Profit and Loss Account for the year when the contribution to the respective fund is due. There are no other obligations other than the contribution payable to the respective funds.
- (ii) The company estimates its liability towards Employees Gratuity based on an actuarial valuation done by LIC of India using the Projected Unit Credit Method done at the end of each accounting period.

2.09 Credit Rating

The credit policy of the company requires all credit exposures to be measured, monitored and managed proactively. Exposure to credit risk is monitored on yearly basis by a leading external credit rating agency.

2.10 Taxation

- (i) Tax Expenses comprise of Current and Deferred Tax. Current Income Tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax Act, 1961. Deferred Income Tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- (ii) Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet Date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.
- (iii) The carrying amount of the Deferred Tax Assets is reviewed at each Balance Sheet Date. The company writes down the carrying amount of the deferred tax assets to the extent that it is no longer reasonably certain or virtually certain as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such written-down amount is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Classification of Portfolio Loans

Loans are classified as follows

Asset Classification	Period
Standard Assets	Current Loan and arrears upto 90 days
Sub Standard Assets	Arrears from 91 days upto 179 days
Doubtful Assets	Arrears from 180 days and more

2.12 Provision for loan losses

- (i) At the end of each financial year, the Management reviews all the Micro Credit on overdue basis and written-down amounts are being made as per past experience and present condition of the borrowers.
- (ii) The Provisioning Norms followed by the company are as follows: Provision adopted by the Company for the Year 2020-21

Asset Classification	Arrear Period	As Per Reserve Bank of India Guidelines	Provision adopted by the Company for the Year 2020-21	Provision adopted by the Company for the Year 2019-20
Current Assets		0.40%	0.40%	0.40%
Standard Assets	Upto 90 days	0.40%	0.40% to 1%	0.40% to 1%
Sub Standard Assets	From 91 to 179 days	50%	50%	50%
Doubtful Assets	More than 180 days	100%	100%	100%

According to RBI Notification no. DNBR(PD).CC. 047/03. 10. 119/2016-17 dated July 01, 2015, aggregate loan provision to be maintained by the 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.



Audited Financial Statement as on 31.03.2021



JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

2.13 Loan write-off policy

The Company as a policy matter has decided to write-off loans which are overdue and not recoverable for more than two years. Moreover, the management can take a decision of writing off loans as per the quality and expectation of realization of loans from borrowers. Further all loss assets identified as per the extent RBI guidelines are provided.

2.14 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends related to a fully paid equity share during the reporting period.

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

2.15 Provisions and Write-offs

A provision is recognized when an enterprise has a present obligation as a result of past event, its outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.16 Cash and Cash Equivalents

Cash and Cash equivalents in the Cash Flow Statement comprise cash on hand and unrestricted amount of cash at bank and unrestricted short-term investments with an original maturity of three months or less.

2.17 Contingent Liability and Contingent Asset

Contingent liability is disclosed for (i) possible obligations which will be confirmed only by future not wholly within the control of the company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent asset is not recognized in the financial statements since this may result in the recognition of income that may never be realized.



Audited Financial Statement as on 31.03.2021

Note-3: SHARE CAPITAL

Particulars	₹	₹
	31ST MARCH , 2021	31ST MARCH , 2020
AUTHORISED 5,00,00,000 (P. Y. :3,00,00,000) Equity shares of Rs. 10/- each	50,00,00,000	30,00,00,000
	50,00,00,000	30,00,00,000
ISSUED, SUBSCRIBED AND PAID UP 2,53,50,863 no (P.Y.2,21,45,735) paid up Equity shares of Rs.10/- each	25,35,08,630	22,14,57,350
	25,35,08,630	22,14,57,350

Terms/Rights attached to Equity Shares:

The Company has only one Class of equity Shares having at par value of Rs.10/- per Share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of the equity will be entitled to receive the remaining asset of the company after distribution of all preferential amounts.

Details of Equity Shares held by shareholders holding more than 5% of the aggregate shares of the company:

Name of the Shareholder	31ST MARCH , 2021		31ST MARCH , 2020	
	No. of shares	% of Holding	No. of shares	% of Holding
Sunanda Kumar Mitra	55,00,000	21.70%	55,00,000	24.84%
Alok Biswas	22,80,898	9.00%	22,80,898	10.30%
Loknath Agarwalla	16,11,509	6.36%	16,11,509	7.28%
Susim Mukul Datta	13,83,819	5.46%	13,83,819	6.25%
SIDBI Trustee Company Ltd -A/c Samridhi Fund	46,75,471	18.44%	46,75,471	21.11%
Sun Tech City Pvt. Ltd	32,05,128	12.64%	-	0.00%

The reconciliation of number of Equity Shares is set out below

Particulars	31ST MARCH , 2021	31ST MARCH , 2020
Number of Shares at the beginning	2,21,45,735	2,02,31,565
Add: Issue of Equity Shares during the Year	32,05,128	19,14,170
Number of shares at the end	2,53,50,863	2,21,45,735

Issue of Sweat Equity Shares

Particulars	31ST MARCH , 2021	31ST MARCH , 2020
Number of Shares at the beginning of the year	20,00,000	20,00,000
Add: Issue of Sweat Equity during the year	0	-
Number of Shares at the end of year	20,00,000	20,00,000

During the year the Company has not allotted any Sweat Equity Shares

Note-4

Particulars	₹	₹
	31ST MARCH , 2021	31ST MARCH , 2020
RESERVES & SURPLUS		
A. Statutory Reserve		
Opening Balance	1,43,12,733	22,74,823
Add: Transfer from Surplus	9,30,203	1,20,37,910
	1,52,42,936	1,43,12,733
According to Section 45-IC of the Reserve Bank of India Act, 1934 every NBFC shall create a reserve fund and transfer therein a sum not less than 20% of the net profit of each year as disclosed in the Profit and Loss account.		
B. Share Premium		
Opening Balance	5,41,33,666	3,59,49,050
Add: Premium received during the year	4,29,48,715	1,81,84,616
Total Share Premium	9,70,82,381	5,41,33,666
C. Surplus in Profit and Loss Account.		
Opening Balance	5,49,87,480	68,35,840
Add: Profit for the Period	46,51,016	6,01,89,550
Amount available for appropriation	5,96,38,496	6,70,25,390
Appropriation :		
Transfer to Statutory Reserve	9,30,203	1,20,37,910
	5,87,08,293	5,49,87,480
TOTAL (A+B+C)	17,10,33,610	12,34,33,879



JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

NOTE - 5 : LONG TERM BORROWINGS

Terms of Repayment of Term Loan as on 31.03.2021

Figures in ()

Sl. No.	Banks / Financial Institutions	Balance as on 01.04.2020	Received during the year	Repaid during the year	Balance as on 31.03.2021	Nature of Security	
						Hypothecation of Book Debts	
SECURED LOANS/UNSECURED LOANS							
TERM LOAN FROM BANKS/FINANCIAL INSTITUTIONS							
1	Mas Financial Services Limited	20,96,87,475	4,50,00,000	15,79,16,688	9,67,70,787	Yes	
2	Axis Bank Ltd	1,17,42,862	-	1,17,42,862	-	Yes	
3	Capital First Ltd	8,88,88,887	-	3,19,44,377	5,69,44,510	Yes	
4	Sub-ordinated debt,Mas Financial Services Ltd	3,00,00,000	-	-	3,00,00,000	-	
5	Arohan Financial Services Ltd	13,54,10,349	-	9,95,13,033	3,58,97,316	Yes	
6	Ananya Finance for Inclusive Growth Pvt. Ltd	2,99,57,211	50,00,000	2,49,84,320	99,72,891	Yes	
7	Muthoot Capital Services Ltd	1,99,99,996	-	1,66,66,670	33,33,326	Yes	
8	SIDBI	12,00,00,000	-	6,00,00,000	6,00,00,000	Yes	
9	AU Small Finance Bank	1,11,11,108	-	1,11,11,108	-	Yes	
10	State Bank of India	3,26,92,369	30,00,00,000	9,45,48,297	23,81,44,072	Yes	
11	Bandhan Bank Ltd	19,09,52,385	-	10,52,38,100	8,57,14,285	Yes	
12	ESAF Small Finance Bank	4,02,27,294	-	1,50,16,431	2,52,10,863	Yes	
13	Union Bank of India TL 1	3,93,01,502	-	1,92,97,506	2,00,03,996	Yes	
14	UC Inclusive Credit Pvt Ltd	6,59,48,489	-	4,09,57,978	2,49,90,511	Yes	
15	Jainsons Finlease Ltd TL 2 Tr 1	6,25,36,189	-	3,71,52,044	2,53,84,145	Yes	
16	Profectus Capital Services Ltd	2,94,13,060	-	2,17,71,339	76,41,721	Yes	
17	Electronica Finance Limited	1,17,89,058	-	1,10,48,477	7,40,581	Yes	
18	Hinduja Leyland Finance	8,95,69,843	-	4,45,90,169	4,49,79,674	Yes	
19	Annapurna Finance Pvt. Ltd	9,24,47,731	-	4,68,83,776	4,55,63,955	Yes	
20	Maanaveeya Development & Finance Pvt. Ltd	3,75,00,000	-	1,78,50,000	1,96,50,000	Yes	
21	Incred Financial Services Pvt Ltd TL 2	3,00,00,000	-	1,39,59,765	1,60,40,235	Yes	
22	NABARD	-	6,00,00,000	-	6,00,00,000	Yes	
	Total	1,37,91,75,808	41,00,00,000	88,21,92,940	90,69,82,868		

Less:Current Maturities Transferred to Other Liabilities (Refer Note No-8)

70,74,53,164

Balance as on 31.03.2021

19,95,29,704

NOTE - 6 : SHORT TERM BORROWINGS

Terms of Repayment of Term Loan as on 31.03.2021

Sl. No.	Banks / Financial Institutions	Balance as on 01.04.2020	Received during the year	Repaid during the year	Balance as on 31.03.2021	Nature of Security	
						Hypothecation of Book Debts	
SECURED LOANS							
TERM LOAN FROM BANKS/FINANCIAL INSTITUTIONS							
1	Nova Vyapar Private Limited	2,58,00,000	2,70,00,000	2,58,00,000	2,70,00,000	Yes	
2	Vivriti Capital	4,69,42,401	-	4,69,42,401	-	Yes	
3	Northern Arc Capital Ltd	7,96,13,522	-	5,43,02,689	2,53,10,833	Yes	
4	SIDBI	-	20,00,00,000	16,75,00,000	3,25,00,000	Yes	
	Total	15,23,55,923	22,70,00,000	29,45,45,090	8,48,10,833		



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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

Note-7 Trade payables				
Particulars	31ST MARCH , 2021		31ST MARCH, 2020	
	₹		₹	
Liability for Expenses	8,93,012		14,42,262	
Group Insurance Premium	42,65,179		47,26,322	
Total	51,58,191		61,68,584	
Note-8 Other Current Liabilities				
Particulars	31ST MARCH , 2021		31ST MARCH, 2020	
	₹		₹	
Current maturities of Long Term Debt	70,74,53,164		93,05,83,887	
Statutory Liabilities	14,43,706		18,10,286	
Interest Accrued but Not due	39,79,864		96,69,794	
Payable to Creditors (Lenders)	32,03,184		43,98,718	
Total	71,60,79,918		94,64,62,685	
Note-9 Provisions				
Provision for Portfolio Loan Assets:	Long Term		Short Term	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Contingent Provision against current and Standard Assets	31,92,967	20,52,904	11,96,463	72,76,312
Non Performing Loans	-	-	1,00,63,456	62,90,342
Total	31,92,967	20,52,904	1,12,59,919	1,35,66,654
Others				
General Provision on Standard Asset but overdue on 29.02.2020. (Covid 19)	-	-	6,35,240	3,17,620
Provision for Regulatory Framework Portfolio	-	-	-	-
Provision against FLDG kept with Principals. (Assigned/Business Correspondent)	-	-	2,01,95,227	83,06,496
Provision for Taxation	-	-	(192)	2,92,24,443
Total	31,92,967	20,52,904	3,20,90,194	5,14,15,213
Note-10 FIXED ASSETS:				
Tangible:				
Figures in ₹				
Cost or Valuation	Office Equipments	Computer & Software	Furniture & Fixtures and Equipments	Total
As at 1st April 2020	29,71,500	44,35,712	43,19,698	1,17,26,910
Additions during the period	2,52,325	3,50,533	2,58,095	8,60,953
Disposals	-	-	-	-
As at 31st March 2021	32,23,825	47,86,245	45,77,793	1,25,87,863
Depreciation				
As at 1st April 2020	6,59,226	19,07,570	8,63,971	34,30,767
Charge For the Period	4,71,730	9,26,736	3,59,940	17,58,406
Disposals	-	-	-	-
As at 31st March 2021	11,30,956	28,34,306	12,23,911	51,89,173
Net Block as on 31st March 2021	20,92,869	19,51,939	33,53,882	73,98,690
Intangible:				
Figures in ₹				
Cost or Valuation	Software		Total	
As at 1st April 2020	32,20,037		32,20,037	
Additions during the period	1,66,600		1,66,600	
Total	33,86,637		33,86,637	
Amortisation as on 01.04.2020	6,44,007		6,44,007	
Amortisation during the period	6,77,327		6,77,327	
Total Amortisation as on 31st March 2021	13,21,334		6,77,327	
Net Block as on 31st March 2021	20,65,303		20,65,303	



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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

Note-11 Long Term Loans and Advances

Particulars	31ST MARCH , 2021	31ST MARCH, 2020
	₹	₹
Micro Finance Loans	31,92,96,658	20,52,90,425
Advance against Fixed Assets	-	-
Term Deposit with banks (kept as lien with the lenders)	17,59,49,146	13,03,57,627
Interest Accrued on Fixed Deposits	1,40,30,189	85,90,094
Total	50,92,75,993	34,42,38,146

Note-12 Cash and cash equivalents.

Particulars	31ST MARCH , 2021	31ST MARCH, 2020
	₹	₹
(a) Balances with banks	9,98,03,362	9,47,97,988
(b) Cash on hand	18,13,846	4,76,260
(c) Fixed Deposit with Banks (kept as lien with the lenders)	1,53,39,022	3,34,50,000
Total	11,69,56,230	12,87,24,248

Note-13 Short Term Loans and Advances:

Particulars	31ST MARCH , 2021	31ST MARCH, 2020
	₹	₹
Micro Finance Loans		
Opening Balance	2,39,26,05,452	1,52,71,35,379
Add: Loan Disbursed	84,88,05,000	3,33,14,92,000
Sub-Total	3,24,14,10,452	4,85,86,27,379
Less: Realised	1,58,84,13,924	2,42,35,71,805
Less: Securitised portfolios Outstanding	86,53,887	6,66,53,115
Less: Bad Debt Written Off	3,86,17,754	-
Less: BC Loan Outstanding	53,41,79,585	80,64,46,594
Less: MAS BC Portfolio Receivable from Borrowers		
	98,69,78,791	1,56,19,55,865
(i) Microfinance Loan (Unsecured and considered good)	98,69,78,791	1,56,19,55,865
Less: Transferred to Long Term Loans and Advances	31,92,96,658	20,52,90,425
Short Term Micro Loans	66,76,82,133	1,35,66,65,440
(ii) Advance Income Tax(Net)	25,94,775	3,25,51,043
(ii) Loans & Advance to Staffs	30,17,934	14,67,268
Total	67,32,94,842	1,39,06,83,751

i. The company offers small loan products to its borrowers for income generation, which are repayable in equal weekly/fortnightly/Monthly instalments.

ii. Apart from the above Loan portfolio the company also manages portfolio worth Rs.54.28 crore as a Business Correspondent on behalf of different Banks and NBFCs (i.e.Principals). Please refer note no-23 & 24.

Note-14 Other current assets

Particulars	31ST MARCH , 2021	31ST MARCH, 2020
	₹	₹
Security Deposit	2,02,51,386	2,74,81,976
Interest accrued on Fixed Deposit	17,78,958	32,99,508
Interest accrued on Portfolio Loan	1,68,83,987	1,88,73,302
Trade Receivables*	10,47,93,071	1,69,95,503
MRR Receivable	53,86,061	66,65,311
Commission Receivable from Principals	64,84,250	31,93,357
Insurance Claim	10,70,232	11,45,185
Total	15,66,47,945	7,76,54,142

* Trade receivables includes Rs.8.45 Crore paid to Mas Financial Services Limited (Principal) on behalf of micro finance borrower covered under Business corespondent module of operation.



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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

Note-15 Revenue from operations		
Particulars	31ST MARCH , 2021	31ST MARCH, 2020
	₹	₹
Interest on Loan. (Refer Note (i) below)	31,28,29,401	29,53,54,549
Loan Processing Fees	60,31,000	2,55,25,620
Total	31,88,60,401	32,08,80,169
Note-16 Other Income		
Particulars	31ST MARCH , 2021	31ST MARCH, 2020
	₹	₹
Interest on Fixed Deposit	1,12,34,600	1,08,37,684
Dividend on Mutual Fund	7,06,678	43,10,262
Commission received as Business Correspondent	5,19,89,258	6,82,96,836
Profit on sale of Loan Portfolio	1,83,675	46,02,895
Miscellaneous Income	71,123	1,24,192
Total	6,41,85,334	8,81,71,869
The company offers small loan products to its borrowers for income generation, which are repayable in equal weekly/fortnightly/Monthly instalments.		
Note-17 Employee benefit expenses		
Particulars	31ST MARCH , 2021	31ST MARCH, 2020
	₹	₹
Salaries & Wages ,etc.	7,27,27,827	6,56,00,999
Provident Fund and ESI	59,02,205	56,48,172
Bonus and Exgratia	29,69,704	23,14,936
Gratuity	11,21,035	15,58,686
Employee Health and Insurance Premium	5,99,192	4,48,467
Total	8,33,19,963	7,55,71,260
Salaries and wages includes: Salaries, wages, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service / employment.		
The company has estimated its liability towards Employees Gratuity based on an actuarial valuation.		
Note-18 Finance Cost		
Particulars	31ST MARCH , 2021	31ST MARCH, 2020
	₹	₹
Interest on Borrowings	19,65,91,915	17,95,97,227
Loan Processing Fees	50,45,000	1,28,83,701
Stamp Charges	50,486	6,04,400
Total	20,16,87,401	19,30,85,328



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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

Note-19 Other expenses

Particulars	31ST MARCH , 2021	31ST MARCH, 2020
	₹	₹
Audit fee	2,00,000	2,17,850
Telephone & Internet	23,21,819	11,99,163
Bank Charges	12,11,638	8,56,743
Electricity Expenses	5,56,179	5,49,290
ROC Fees	15,41,000	31,500
Professional Fees	47,40,580	72,21,940
Office Rent	62,19,080	52,60,952
Printing & Stationery expenses	9,72,494	15,54,924
Travelling & Conveyance	61,69,127	61,49,499
Office Expenses	22,59,181	23,50,244
Training Expenses	17,64,576	23,71,995
Rates and Taxes	1,03,084	2,47,216
Staff Welfare	21,03,383	30,19,093
Directors Sitting Fees	4,30,000	3,22,500
Insurance	9,64,733	2,80,531
Repair & Maintenance	23,050	53,080
Goods and Services Tax	16,88,870	21,86,259
IT related Charges	10,97,921	8,76,698
Membership Fees	6,17,198	5,58,563
Consultancy Charges	10,48,000	11,70,522
Preliminary Expenses Written off	-	14,20,351
Loss on Business Correspondent Model	2,86,13,035	-
Bad Debt Written off	1,00,04,719	-
Donation to PM Cares Fund	5,00,000	-
Total	7,51,49,667	3,78,98,913

Note-20 Provisions for Loan Loss

Particulars	As at 1st April, 2020	Additions	Utilisation	As at 31st March, 2021
	₹	₹	₹	₹
Provision for Loan Loss on Portfolio Loan	1,56,19,559	(11,66,674)	-	1,44,52,885
Provision against Standard assets as on 29.02.2020 (Please refer Note 22) against which moratorium granted due to COVID-19.	3,17,620	3,17,620	-	6,35,240
Provision for Regulatory Framework Portfolio	-	-	-	-
Provision for Loss on Securitised Portfolio	2,42,030	2,46,439	-	4,88,469
Provision for Loss on Portfolio of Business Correspondence	80,64,466	1,16,42,292	-	1,97,06,758
Total	2,42,43,675	1,10,39,677	-	3,52,83,352

Note-21 Classification of Portfolio Loan on age basis

Particulars	Estimated Provisions Adopted	As at 31st March, 2021		As at 31 March, 2020	
		Principal	Provision Amount ()	Principal	Provision Amount ()
Current	0.40% to 1%	89,17,35,282	35,66,941	1,54,79,09,142	92,94,866
Up to 90 days	0.40% to 1%	8,22,48,823	8,22,488	34,34,980	34,350
91 to 179 days	50%	58,62,460	29,31,230	86,42,801	43,21,401
180 days or more	100%	71,32,226	71,32,226	19,68,942	19,68,942
Total		98,69,78,791	1,44,52,885	1,56,19,55,865	1,56,19,559
*Subject to 1% Whichever is Higher		98,69,78,791	98,69,788	1,56,19,55,865	1,56,19,559

According to RBI Notification no. DNBR.(PD)CC.047/03.10.119/2015-16 dated July 01,2015, aggregate loan provision to be maintained by the 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.

Note-22 Provision for Regulatory Package of COVID 19

Particulars	Principal as on 29.02.2020	Provision Amount ()	Provision Amount ()	Total Provision (10%)
	₹	31st March 2020	30th June 2020	₹
Principal outstanding of all standard but overdue accounts (DPD 1 to 89 days)	63,52,401	3,17,620	3,17,620	6,35,240
Total	63,52,401	3,17,620	3,17,620	6,35,240



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According to RBI Circular No.RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 on COVID19 Regulatory Package - Asset Classification and Provisioning, a general provisions of 10 per cent shall be computed for all standard but overdue accounts on February 29, 2020 for which moratorium has been granted. This amount would then be provided in a phased manner i.e. 5 per cent in Q4 of FY 19-20 and remaining 5 per cent in Q1 of FY 20-21

Note-23 Securitised/Assigned Loan Portfolio:

During the Period, the Company has managed loan portfolio of Catalyst Trusteeship Ltd as Service Provider. Details are as given below.

Particulars	31ST MARCH , 2021	31ST MARCH, 2020
	₹	₹
Opening Balance	2,42,02,993	-
Portfolio assigned	-	66,53,115
Total	2,42,02,993	66,53,115
Amount collected	1,55,49,106	4,24,50,122
Outstanding Portfolio	86,53,887	2,42,02,993

Note-24 Loan Portfolio managed as a Business Correspondent.

During the Period, the Company has engaged as a business correspondent of MAS Financial Services Ltd ,Utkarsh Small Finance Bank and IDBI Bank Limited. Details are as given below.

Particulars	31ST MARCH , 2021	31ST MARCH, 2020
	₹	₹
Opening Balance	80,64,46,594	63,76,29,471
Amount disbursed	26,46,84,717	51,13,10,000
Total	1,07,11,31,311	1,14,89,39,471
Amount collected	53,69,51,726	34,24,92,877
Outstanding Portfolio	53,41,79,585	80,64,46,594

Note-25 Income as Business Correspondent

Particulars	31ST MARCH , 2021	31ST MARCH, 2020
	₹	₹
Commission Received from MAS Financial Services Ltd	2,57,95,490	2,33,41,363
Commission Received from Utkarsh Small Finance Bank Ltd	2,59,88,862	4,43,55,163
Commission Received from IDBI Bank Ltd	2,04,906	6,00,310
	5,19,89,258	6,82,96,836

Note-26 Related Party Transactions

As per Accounting Standard 18 (AS-18) on related party disclosure issued by the Institute of Chartered Accountants of India related parties of the company are as follows.

Names of Related Parties and Nature of Relationship.

a) Key Management Personnel	
Alok Biswas	Managing Director
Sunanda Kumar Mitra	Chairman and Whole Time Director
Arup Kumar Dutta	Chief Financial Officer(CFO)
Shivani Agarwal	Company Secretary(CS)

b) Nature of Transactions

Particulars	31.03.2021		31.03.2020	
	Transaction Value(₹)	Outstanding (₹)	Transaction Value (₹)	Outstanding (₹)
i) Alok Biswas				
Remuneration	39,00,000	-	43,50,000	-
Sweat Equity Shares	-	-	-	-
ii) Sunanda Kumar Mitra				
Remuneration	34,50,000	-	30,00,000	-
Sweat Equity Shares	-	-	-	-
iii) Chief Financial Officer and Company Secretary				
Remuneration	29,86,360	-	20,93,900	-



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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

Note-27	Segment Reporting The company operates in a single reportable segment i.e. lending in Micro Finance Sector, which have similar risk and returns for the purpose of AS-17 on 'Segment Reporting' issued by ICAI. The company does not have any reportable Geographical Segment.						
Note-28	Disclosure of micro and small enterprises. The Company has the process of identification of suppliers registered under Micro, Small and Medium Enterprises Act 2006 (The MSMED) by obtaining confirmation from all the suppliers. Based on the information available with the company no amount is payable to micro, small and medium enterprises.						
Note-29	Earning Per Share						
	Particulars	31ST MARCH, 2021		31ST MARCH, 2020			
		₹		₹			
	Net Profit After Tax	46,51,016		6,01,89,550			
	Weighted Average Number of Shares	2,24,61,857		2,10,81,142			
	Earning per share (Basic/Diluted)	0.21		2.86			
	Nominal Value per Share	Rs.10/-		Rs.10/-			
Note-30	Additional Disclosure pursuant to Reserve Bank of India Direction vide Circular No-DNBS (PD).CC No.047/03.10.119/2015-16 dated July 1, 2015.						
	Capital to Risk Weighted Assets Ratio (CRAR)	31ST MARCH, 2021		31ST MARCH, 2020			
	CRAR	42.42%		23.25%			
	CRAR- Tier I Capital	40.04%		20.90%			
	CRAR-Tier II Capital	2.38%		2.35%			
Note-31	Additional Disclosure pursuant to Reserve Bank of India Direction vide Circular no. RBI/2014-15/299, DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10,2014.						
	PARTICULARS	REMARKS					
	1.Capital to risk (Weighted) Assets Ratio	Refer Note No. 30.					
	2.Investment	Nil					
	3. Derivatives	The company has not entered into any derivative transactions in the current and previous years.					
	i) Forward Rate Agreement/ Interest Rate Swap						
	ii) Exchange Traded Interest Rate (IR) Derivatives						
	iii) Disclosure of Risk Exposure in Derivatives						
	iv) Forward rate agreement / interest rate swap						
	4. Disclosure relating to Scuritisation	The Company has not assigned/secured any loan portfolio but there is an outstanding balance of Rs.086 lakh which was assigned to Catalyst Trusteeship Ltd in 2019-20 and also managed the Loan portfolio of Utkarsh Small Finance Bank Ltd, MAS Financial Services Pvt Ltd and IDBI Bank Ltd. Please refer Note no-23 and 24.					
	i) Information duly certified by the SPV'S Auditors obtained by the originating NBFC from the SPV.						
	ii) Details of financial assets sold to securitisation/Reconstruction company for asset reconstruction.						
	iii) Details of Assignment transactions undertaken by NBFCs						
	5. Details of non performing financial assets purchased /Sold	The Company has not purchased/sold any non performing financial assets.					
	i) Details of non performing financial assets purchased :						
	ii) Details of non performing financial assets sold:						
	6.Assets Liability Managements Maturity pattern of certain items of assets and liabilities.	Details as on 31st March 2021.					
	Particulars	up to 30/31 days	over one month to 2 months	over 2 months to 3 months	over 3 Months upto 6 months	over 6 Months year upto 1	
	Deposits	0.00	0.00	0.00	0.00	0.00	
	Advances	8.52	7.18	9.39	16.25	25.43	
	Investments	0.00	0.00	0.00	0.00	0.00	
	Borrowings	11.81	8.24	7.67	23.20	26.31	
	Particulars	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total		
	Deposits	0.00	0.00	0.00	0.00		
	Advances	31.93	0.00	0.00	98.70		
	Investments	0.00	0.00	0.00	0.00		
	Borrowings	21.95	0.00	0.00	99.18		
	Note: The Company does not have any foreign currency Assets or Liabilities.						



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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

7. Exposure i) Exposure to Real estate sector ii) Exposure to Capital Market.	The Company has no exposure to real estate and Capital Market directly or indirectly.
8. Details of Financing of parent company products: i) Details of single borrower limit (SGL) / Group Borrower limit (GBL) exceeded by NBFC ii) Unsecured Advances 9. Miscellaneous i) Registration obtained from other financial sector regulators ii) Disclosure of Penalties imposed by RBI and other regulators iii) Related Party Transaction iv) Rating assigned by credit rating agencies and migration of ratings during the year v) Remuneration of Directors vi) Net profit or loss for the period, prior period items and changes in accounting policies vii) Revenue Recognition	Single borrower limit (SGL)/ Group Borrower Limit (GBL) has not exceeded by the Company. Portfolio Loan of Rs.98,69,78,791/- Ministry of Corporate affairs No Penalties Imposed by the RBI and other regulators during the Current year and Previous Year. Refer Note No-26. BB+(ACUITE Ratings dated 16.01.2021) Refer Note No-26. Nil Refer Note No-2.06.
10. Additional Disclosures i) Provisions and contingencies ii) Draw Down from Reserves iii) Concentration of Deposits, Advances, Exposures and NPAs a) Concentration of deposit (for Deposit taking NBFCs) b) Concentration of Advances c) Concentration of Exposure d) Concentration of NPAs iv) Overseas Assets (for those Joint Ventures and Subsidiaries abroad) as per accounting norms)	Refer Note No-31A Nil Not applicable as the Company is NBFC-ND-NSI. Refer Note No-31B. Refer Note No-31C Refer Note No-31D The NBFC has not any overseas Assets . Not applicable as the Company has not any SPVs.
11. Disclosure of Complaints	The company has not received any complaint during the Year.

Note. 31A
Breakup of Provisions and contingencies shown under the head Expenditure in Profit and Loss Statement.

Particulars	31ST MARCH, 2021	31ST MARCH, 2020
	₹	₹
Provision for Income Tax	47,61,321	2,38,74,120
Provision for Gratuity	11,21,035	15,58,686
Provision towards NPA	1,00,63,456	62,90,342
Provision for Standard Assets	43,89,429	93,29,216

Note. 31B
Concentration of Advances

Particulars	31ST MARCH, 2020	31ST MARCH, 2019
	₹	₹
Total Advances to twenty Largest borrowers	8,00,000	8,00,000
Percentage of total Advances to twenty Largest borrowers to total advance of the NBFC	0.08%	0.08%

Note. 31C
Concentration of Exposures

Particulars	31ST MARCH, 2021	31ST MARCH, 2020
	₹	₹
Total Advances to twenty Largest borrowers	8,00,000	8,00,000
Percentage of total Advances to twenty Largest borrowers to total advance of the NBFC	0.08%	0.08%

Note. 31D
Concentration of NPA'S

Particulars	31ST MARCH, 2021	31ST MARCH, 2020
	₹	₹
Total Exposure to top four NPA accounts	1,10,075	99,125

Note 32 Average rate of Interest, cost of borrowing and Margin

Particulars	31ST MARCH, 2021	31ST MARCH, 2020
Average Interest(a)	21.89%	24.90%
Average cost of borrowing(b)	13.98%	15.10%
Margin(a-b)	7.91%	9.80%



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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

Note-33


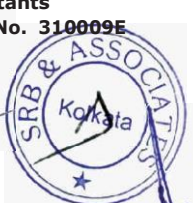



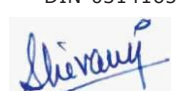
Disclosure details as required in terms of Paragraph 13 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank of India) Directions.

LIABILITIES SIDE		Amount Outstanding	Amount	Overdue
1 Loans and advances availed by the NBFCs				
a. Debentures:	Secured	Nil		Nil
	Unsecured	Nil		Nil
(other than failing within the meaning of public deposits)				
b. Deferred Credits		Nil		Nil
c. Term Loans		99,17,93,701		Nil
d. Inter-corporate loans and borrowing		Nil		Nil
e. Commercial paper		Nil		Nil
f. Public Deposits		Nil		Nil
g. Other Loans (Cash Credit facility)		Nil		Nil
Total		Nil		Nil
2 Break-up of (1)(f) above (Outstanding public deposits Inclusive of interest accrued thereon but not paid) :				
		Amount Outstanding	Amount	Overdue
a. In the form of unsecured debentures		Nil		Nil
b. In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		Nil		Nil
c. Other public deposits		Nil		Nil
Total		Nil		Nil
3 ASSETS SIDE				
Break-up of Loans and advances including bills receivables (other than those included in (4) below) :			Amount Outstanding (in Rs.)	
a. Secured				
b. Unsecured (see schedule)		98,69,78,791		98,69,78,791
4 Break-up of Leased Assets and stock on hire and hypothecation Loans counting towards EL/HP activities :				
I Lease assets including lease rentals under Sundry Debtors				
a. Financial lease		Nil		Nil
b. Operating lease		Nil		Nil
II Stock on hire including hire charges under Sundry Debtors				
a. Assets on hire		Nil		Nil
b. Repossessed Assets		Nil		Nil
III Hypothecation Loans counting towards EL/HP activities				
a. Loans where assets have been repossessed		Nil		Nil
b. Loans other than (a) above		Nil		Nil
Total		Nil		Nil
5 Break up of Investments :				
Current Investments				
1 Quoted Shares				
I Shares : (a) Equity				
	(b) Preference	Nil		Nil
II Debentures and Bonds				
III Units of mutual funds				
IV Government Securities				
V Others (Please Specify)				
2 Un-Quoted Shares				
I Shares : (a) Equity				
	(b) Preference	Nil		Nil
II Debentures and Bonds				
III Units of mutual funds				
IV Government Securities				
V Others (Please Specify)				
Long Term Investments :				
1 Quoted Shares				
I Shares : (a) Equity				
	(b) Preference	Nil		Nil
II Debentures and Bonds				
III Units of mutual funds				
IV Government Securities				
V Others (Please Specify)				
2 Un-Quoted Shares				
I Shares : (a) Equity				
	(b) Preference	Nil		Nil
II Debentures and Bonds				
III Units of mutual funds				
IV Government Securities				
V Others (Please Specify)				



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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

Borrower group-wise classification of all leased assets, stock on hire and Loans and advances :			
Category	Amount net of provisions		
	Secured	Unsecured	Total(in Rs.)
Related Parties **			
a.Subsidiaries	Nil	Nil	Nil
b.Companies in the same group	Nil	Nil	Nil
c.Other related parties	Nil	Nil	Nil
Other than related parties	Nil	98,69,78,791	98,69,78,791
Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and un quoted).			
Particulars	Market value/Break up or fair value or NAV	Book Value (Net of provisions)	
Category			
Related Parties	Nil		Nil
a.Subsidiaries	Nil		Nil
b.Companies in the same group	Nil		Nil
c.Other related parties	Nil		Nil
Other than related parties	Nil		Nil
Total	Nil		Nil
**As per Accounting Standard of ICAI			
Other Information:			
Particulars			
Gross Non-performing Assets			
a.Related parties	Nil		Nil
b.Other than related parties	1,29,94,686		1,29,94,686
Net Non-performing Assets			
a.Related parties	Nil		Nil
b.Other than related parties	Nil		Nil
Assets acquired in satisfaction of debt			
Note-34 Previous Year Figures			
Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.			
For SRB & Associates		For and on behalf of the Board of Directors	
Chartered Accountants			
Firm Registration No. 310009E			
			
Biswanath Paul		Sunanda Kr. Mitra	Alok Biswas
(Partner)		Chairman	Managing Director
M. No.068186		DIN-03521074	DIN-03141650
UDIN:21068186AAAAEH6520			
Date :31/05/2021			
Place:Kolkata		Arup Kumar Dutta	Shivani Agarwal
		Chief Financial Officer	Company Secretary
			M.No. A42303







Janakalyan Financial Services Pvt Ltd.

Head Office : CD -193, Sector - I, Salt Lake, Kolkata - 700 064.

Ph. No. : 033-2337 0123 / 4060 7106

Email : info@janakalyan.net

Website : www.janakalyan.net

Regd: Office : 183/A, Sahid Hemanta Kumar Bose Sarani

Jagdishpally, Kolkata - 700 074