



ANNUAL REPORT

2021 - 22

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Dr. Pillarisetti Satish

Ex-executive Director of Sa-Dhan

Rest in Peace

1957 - 2022

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LET'S WEAVE DREAMS & HOPE TOGETHER

"Hope lies in dreams, in imagination, and in the courage of those who dare to make dreams into reality." – Jonas Salk

Our resilient business model has been tested time and again during every crisis. Over the last two years, the Covid pandemic hit the macroeconomic environment. However, the Company has demonstrated sustained recovery, consistent asset quality, and improved operational profitability.

The beginning of FY22 saw the severe second wave of Covid-19, taking a significant toll on human lives. However, the learnings and experiences from the first wave and the nationwide vaccination drive conducted on war-footing, helped the country to come back to normalcy at a faster pace. The third wave resurfacing in January 2022 had a relatively lesser impact on public health and the economy. The microfinance industry, being a very important financial link with the bottom of the pyramid, was recognized as an essential service and allowed to function during the pandemic. Further, the Government and RBI ensured sufficient liquidity and funding for the microfinance industry.

The Company has the benefit of a deep rural presence with a majority of customers engaging in economic activities that are classified as essential services, strong engagement with customers/community /stakeholders, agile business processes, robust risk management, and an experienced and

FINANCIAL PARAMETERS



Gross Assets under Management (AUM)

Rs. 134.47 Cr



Active Borrowers

82,204



Total Income

Rs. 26.11 Cr

Profit After Tax

Rs. 2.05 Cr



Return on Assets (ROA)

1.53%

Return on equity (ROE)

4.71%



Operating Expense Ratio

9.19%

Capital Adequacy

47.33%



Credit Rating

BBB- (stable outlook)



YEAR AT A GLANCE





Chairman Speak

Dear Shareholders,

It may be a right time to recall an iconic quote of Charles Dickens from his illustrious novel 'A Tale of Two Cities' written more than 150 years back. Quote; 'It was the best of times, it was the worst of times. It was the spring of hope, it was the winter of despair' Unquote. These lines speak of a time of radical opposites taking place at the same time. This coincidentally also speaks of our difficult journey in Janakalyan and in fact the entire world over the last two devastating pandemic years, swaying precariously between hope and despair but hope finally overcoming despair to lead us to a better tomorrow. In this context, the quality of bonding and resilience shown by the entire Team Janakalyan and our response to the huge challenges last year have been our incredible moments of faith. Going forward, our journey ahead may be encapsulated in two simple words 'Hopes and Dreams'.

Despite the contraction in the Company's book size to Rs 135 Crore during the year 2021-22, we posted an improved net profit of Rs 2.04 Cr, a higher Capital Adequacy Ratio of 47.33%, NPA level of 0.10% (Own portfolio post-resolution), and a higher Net Worth Rs 44.50 Cr as on 31/03/2022 after making need-based provisioning and writing off bad debts. However, the effect of rescheduled overdue loans to be phased out during the current financial year may adversely impact the overdue percentage level. All efforts are being made to minimize any further stress on our books. I am pleased to report that the collection of our current dues remains close to 100% which gives us hope for sustaining and improving the overall health of our book.

Further, we are encouraged by the regulatory changes effected by the Reserve Bank of India from 1 st April 2022 creating a level field for all players in the microfinance lending space including the liberty to determine our own lending rates. I am confident that the consequent improvement in our future prospects would facilitate the raising of need-based debts and equity which are the urgent needs of the hour.

I take this opportunity to offer my heartfelt thanks and gratitude to our shareholders, institutional investors, lenders, our customers, our esteemed Board members, and finally our staff members for their steadfast support all through to help and encourage us In pursuing our journey towards faster and more equitable growth and a financially stronger company.

Warm regards and best wishes.

S. K. Mitra
Chairman



Managing Director Speak

Dear Stakeholders,

It gives me immense pleasure to take you through the highlights of Janakalyan's performance for FY 2021-22. Though the Covid-19 pandemic crisis has moved over, its effect on the economy continues to persist. The financial year 2021-22 was a challenging one for our clients and employees as well as society at large. The resilience of our clients and the commitment and grit shown by employees during these testing times have been exemplary. Adaptability, agility, and continuous oversight of operations was the only way to ensure sustainable business operations.

I wish to convey my heartfelt gratitude to all the employees at Janakalyan who rose to the challenge. Their relentless commitment and efforts enabled the company to navigate effectively during the severe second wave. We delivered a year of good performance despite the challenging environment with a PAT of rs2.04 Crores and AUM at rs135.00 Crores for FY 2021-22.

We have focused on our fundamentals, brought more efficiency to all our operations, diversified our sources of funds and funding strategy, and evolved our services around the needs of our customers. The financial risk profile of the company remains healthy with a Capital Adequacy Ratio of 46.94 % in March'22, low NPA levels, a high net worth of Rs 44.50 Crore, and low gearing of only 1.94 times. Our company has also been able to maintain good profit, PAT at rs2,04 Crores in 2021-22.

Our newly originated book (loans disbursed after July 2021) has demonstrated a steady performance, with 30+ PAR estimated at just 1-2%. Overall monthly collection efficiency was healthy at an average of 97-100% in the fourth quarter of last fiscal.

Now that the Reserve Bank of India has removed the interest margin cap on lending rates under the new regulatory framework for microfinance loans, MFI will have the flexibility to adapt risk-based pricing which can provide headroom to be more sustainable with better margin to build a more robust balance sheet. Going ahead, sustained access to incremental debt and equity funding will be key for facilitating the growth prospects of the Company.

I thank all our stakeholders including shareholders, customers, lenders, and employees for their continued and unwavering support. I am confident that we are positioned to create significant value for all the stakeholders in the years ahead. I would like to extend my gratitude to our Board members for their support and guidance. We look forward to your continued support for all our future initiative.

In conclusion, I assure you that Team Janakalyan will continue to create a positive impact in the financial services space in the years to come.

Alok Biswas
Managing Director

What makes us who we are

Microcredit is not just about offering small loans to individuals; it is about driving financial inclusion in India. Microcredit is not just about giving small loan amounts to a large number of people; it is about harnessing the economic potential of the largest unbanked population cluster in the world. Microcredit is not only about loans and recovery; it is about offering a broad service bouquet (savings, insurance and payment products).

"The very least you can do in your life is figure out what you hope for. And the most you can do is live inside that hope. Not admire it from a distance but live right in it, under its roof."

– Ba®rbara Kingsolver



VISION

To build a world-class financial institution committed to the economic upliftment of the underprivileged through financial inclusion.



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, in a sustainable and transparent manner based on mutual respect and understanding.



“ Janakalyan is engaged in nation-building by growing its micro-finance business, offering more products, widening its footprints and extending economic prosperity across the rural heartland. ”

“Hope can be a powerful force. Maybe there's no actual magic in it, but when you know what you hope for most and hold it like a light within you, you can make things happen, almost like magic.” – Laini Taylor

THE PARTNERS AND ASSOCIATES





Working women – a new perspective

“Optimism is the faith that leads to achievement. Nothing can be done without hope and confidence.”
– Helen Keller

Despite the entrepreneurship gap between men and women, it is widely considered that women leaders in business have specific qualities that make them better entrepreneurs than men. Interestingly, because access to finance and investments are difficult for women, a study showed that women only need about half of what a man needs to start a business. Women are not willing to back down, even if they have fewer resources.

As female entrepreneurs are used to having fewer opportunities and money than men, they just come up with different plans and strategies to ensure they can still reach their goals. Women-led businesses may tend to earn less and be smaller, but women seldom hesitate to start a business as they have the courage of conviction.

For women, success is not only about profits, although it is obviously a major concern. The legacy of their business for the next generations is very important for women to feel successful, as well as the social impact of their enterprises. This is one more reason why women generally make better social entrepreneurs and are more likely to start a social enterprise – it is not all just about money.

Our country needs more such social entrepreneurs to occupy a position of pride in the committee of nations.

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

Mr. R V Dilip Kumar

Nominee Director

Other Senior Management

Mr. Sukumar Biswas

Senior Vice President – Inspection

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

Vice President – Operations

Mr. Chandan Nag

Zonal Head – Kishanganj Zone

Mr. Bhaskar Gharami

Zonal Head- Barsoi Zone

Mr. Ajoy Sarkar

Zonal Head- Central Zone

Mr. Palash Saha

Zonal Head- Duttapulia zone

Mr. Debesh Gon

Head- Centralised operations Hub and Nodal Officer

Chief Financial Officer

Mr. Arup Kumar Dutta

Auditors

M/s. SRB & Associates

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

Compliance & Company Secretary

Ms. Shivani Agarwal

Corporate Identity Number

U74999WB2016PTC216823

Address for Correspondence

Janakalyan Financial Services Private Limited

Registered Office / Head Office :
CD-193, 1st Floor, Sector - 1,
Salt Lake City, Kolkata - 700 064
Tel. No : 033 2337 0123
Email : cs@janakalyan.net
Website : www.janakalyan.net

Reserve Bank of India, Registration No.

N-05.07035 dated 2nd March 2017



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 holding wide-ranging roles. 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 in August, 2015.
- 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 JagaranMicrofin 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 India 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
- 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.
- M. A. in Economics (First Class) from Calcutta University, also qualified CAIIB



Ranganathan Varadarajan Dilip Kumar

Nominee Director

- He has been with SIDBI Venture Capital Limited (SVCL) since its inception in 1999 and was part of the core team which had set up SIDBI Ventures, SIDBI Trustee Company, and NFSIT. He represents SVCL on the Boards of some portfolio companies, where he has played an active role in building up systems and processes.
- Previously he was with SIDBI for nearly 8 years with experience in credit appraisal, accounts, and audit functions.
- He is a Post Graduate in Commerce and Economics, AICWA, CS (Inter), PGDBA, and CAIIB.



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 JAIB (IIB&F, Mumbai).



Shivani Agarwal

Company Secretary & Compliance Officer

7 years of experience in the field of Secretarial & Legal Compliances and Corporate Governance.

- Honors in Accountancy and is a Member of the Institute of Company Secretaries of India.



Sudhir Ghosh

Vice President – Operation

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



Sukumar Biswas

Vice President – Internal-Inspection Head

- 28+ years of on-the-ground microfinance experience with BRAC, Bandhan MFI and Head of Operations at JagaranMicrofn.
- 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 four years in microfinance.
- in depth domain knowledge in branch banking, Retail/ MSME lending and regulatory compliances as also industrial relations.
- Science graduate from Calcutta University.



Dr. 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.



- Hope smiles from the threshold of the year to come, whispering 'it will be happier'..." – Alfred Lord Tennyson.

FY 2021-22

EXISTING :

WEST BENGAL ASSAM
ODISHA JHARKHAND
BIHAR TRIPURA

FY 2022-23

ADDITIONS :

CHHATTISGARH
UTTAR PRADESH



Success Stories





Damayanty: Empowerment of a village woman artisan

It is unfortunate that the rural artisans in Indian villages generally languish in poverty due to the absence of relevant skill upgradation, poor financial status and marketing support. This was also the case with Smt. Damayanty Nayak is a resident of Erada village in Bhadrak district in the State of Odisha. Damayanty, the wife of a daily laborer, faced financial hardship even in meeting the daily needs of her family as her husband's meager income was inadequate to cover all the expenditures.

Being entrepreneurial in nature, she had noticed a steadily increasing demand for decorative tiles in her area and that there was a shortage of decorated tiles in the market. She then approached her sister-in-law, a trained tiles artist, to teach her the technique of making decorative images on walls, roofs, and floor tiles. With her newly acquired skills, she started producing high-quality designer tiles for meeting the growing demand in the market.

With business growing rapidly, she needed additional capital for buying tools and the expansion of her business. She approached the local branch of Janakalyan Financial Services for financial assistance, which helped her with a loan of Rs. 20,000/-. Through prudent utilization of the loan amount, Damayanty was able to increase her business and supplement the family income as also pay the EMIs on time. After repaying the first loan, she availed of a higher amount of Rs. 40,000/- from Janakalyan to further expand the business and increase her lifestyle. Damayanty has successfully proved that initiative, drive and human enterprise combined with the right doses of timely and adequate credit, can eminently help in generating sustainable and growing income over a period of time.

Ray of hope

"Janakalyan gave my life a new meaning," said Suchitra Pradhan.

Suchitra Pradhan's story is that of a remarkable woman who managed to overcome severe odds to lead a life of dignity by dint of her hard work, initiative and business skills. Aged just 26 years, Suchitra is a member of 'Padma Tamil Group' in Khanjadapur village of the East Midnapore district in the State of West Bengal. In order to supplement the meager family income, she availed a loan of Rs. 25,000/- for rearing of goats from Janakalyan Financial Services in the year 2021. She chose this activity as fodder was available in plenty in her village. Her old sexagenarian father and mother-in-law also helped her in the activity.

Through proper utilization of the loan amount from Janakalyan, she was soon able to increase the number of goats from four to eighteen. The growth in business helped her to generate a sustainable livelihood and raise the living standards of her family. She has since admitted her six-year-old daughter to an English medium school. Suchitra's success goes on to prove that even without any specific skills, it is possible to carve out a reasonable standard of living through hard work and passion provided one has the courage to follow one's dream. There is always a micro-lending company like Janakalyan available close by to extend need-based financial support.

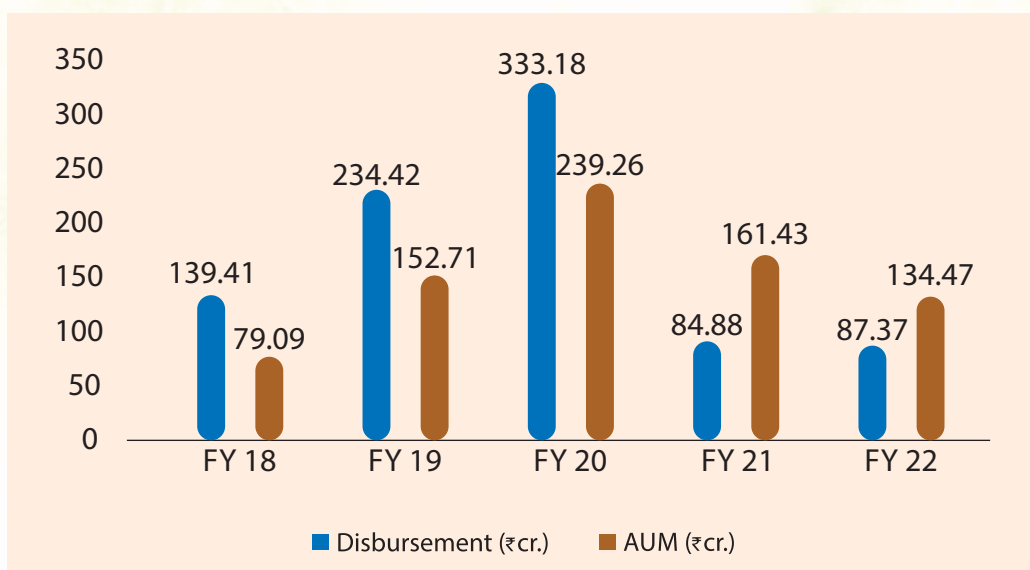




MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Introduction

- 1.1 The year 2021-22 continued to be beset with the overhang of COVID pandemic impact. 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-19 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 lockdowns at local levels in various States and the duration/intensity of such lockdowns keep 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 had adversely impacted business activities and consequently, lives and livelihoods of people in the semi urban and rural areas.
- 1.2 As a consequence, disbursement and collections were impacted, which dipped during the months of Apr21-Jun21 after significantly rising during Q4FY21. After the immediate aftermath, the Company slowly started disbursement on a selective basis and focused on collection. It was a strategic decision to go slow on disbursement since disbursement at the regular pace could have led to avoidable delinquencies in view of the impending third wave. In order to give boost to collection, the company launched various incentive schemes besides putting in place a robust monitoring and MIS system to track collection at periodic interval during the day. As a result, the collection efficiency steadily improved since August'21. While fresh disbursements were low, collections continued to improve since Sept.'22 and as a consequence, the MFI loan portfolio declined by ₹27 crore during the year. The trend of disbursement and outstanding AUM since FY2018 is depicted in the chart below. The sharp reduction in disbursements due to the pandemic leading to decline in AUM is clearly evident.



1.3 The year witnessed the following developments that had a bearing on the microfinance industry and specifically the MFIs.

- i. Easing of liquidity constraint during H2FY22, made possible due to inflow of funds under the CGSMFI scheme of Government of India from Sept.'21. Janakalyan received ₹53.50 crore under the scheme from four PSU banks, including three new relationships.
- ii. Putting in place by RBI of a set of measures to alleviate the potential stress (caused by COVID-19 second wave) to individual borrowers and small businesses. These measures were covered under RBI **Resolution Framework – 2.0, which inter-alia provided guidelines on** asset restructuring, classification and provisioning.
- iii. Considerable pent up demand for credit from the targeted segment.
- iv. Improved collection efficiency on the back of gradual resumption of economic activities and restoration of income and livelihood.

1.4 A snapshot of operational metrics as on 31/03/21 and y-o-y change is provided in the table below:

Metric	FY22 (As on 31/03/2022)	FY21 (As on 31/03/2021)	Change
No. of Branches	75	75	-
No. of States covered	6	6	-
No. of District Covered	31	31	-
No. of Members	1,74,889	1,69,224	5,665
No. of Active Borrowers	79,678	1,08,611	(28,933)
No. of Field Officers	269	282	(13)
No. of Employees	438	463	(25)
No. of Loans Outstanding	82,204	1,13,985	(31,781)
Loan Amount Outstanding (₹ cr.)	134.47	161.44	(26.97)
Loan Amount Disbursed During the FY (₹ cr.)	87.37	84.88	2.49
No. of Loans Disbursed During the FY	28,115	28,014	101
No of Borrowers per FO	296	385	(89)
Loan Outstanding Per Branch (₹ cr.)	1.79	2.15	(0.36)
Average Loan Size Outstanding (₹)	16,358	14,163	2,195
Average Ticket Size Disbursed During the FY (₹)	31,076	30,301	775

2. Microfinance Industry Overview

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

2.1 The microfinance industry showed good progress during Q4FY22, building on the momentum created during Q3. The overall microfinance industry's gross loan portfolio (GLP) grew by 10% YoY to ₹2,85,441 crore as on 31st March, 2022, up from Rs 2,59,377 crore as on March 31, 2021. Banks hold the largest share of portfolio in micro-credit with 40% of total micro-credit universe, followed by NBFC-MFIs at 35.20%, SFBs at 16.90%, NBFCs at 6.90% and Other MFIs at 1%. The GLP of NBFC-MFIs increased by 24.70% to ₹1,00,407 crore as on March 31, 2022, compared to Rs 80,549 crore as on March 31, 2021.

NBFC-MFI Category

(Source: MFIN Data)



- 2.2 The GLP of MFIN members (subset of NBFC-MFI universe) aggregated to ₹96,561 crore (own portfolio accounting for just above 85%) as on 31st March, 2022, reflecting a YoY growth of 19.40% over FY21. NBFC-MFIs (MFIN members) disbursed a total loan amount of ₹83,354 crore through 2.30 crore accounts during FY22 as compared to ₹57,524 crore disbursed the year before through 1.70 crore accounts. Average loan amount disbursed per account during FY22 was ₹37,020, which is an increase of around 8.50% in comparison to loans disbursed during FY21. In terms of regional distribution of portfolio (GLP), East, Northeast and South accounted for 58% of the total NBFC-MFI portfolio. Five top states in terms of loan amount outstanding are Bihar, Tamil Nadu, Karnataka, Uttar Pradesh and Madhya Pradesh, which together account for 53.2% of GLP and top 10 states account for 83.40% of the total loan amount outstanding.
- 2.3 Portfolio at Risk (PAR)>30 days as on 31 March 2022 stood at 9.7%, which has dipped slightly from 9.2% as on 31 March 2021. PAR>90 days also rose slightly to 5.9% from 5.5% (FY21) as a result continuing overhang of the pandemic.
- 2.4 During the year, NBFC-MFIs received a total of ₹47,931 crore in debt funding (from Banks and other Financial Institutions) which represents a growth of 18.10% as compared to FY21. While Large and Medium MFIs were able to source 71% of debt funding from Banks, Small MFIs were able to source 50% of their funding from banks. This is primarily due to the Credit Guarantee Scheme for the MFIs, which was announced by the Government of India to ease the liquidity pressure on the industry. The outstanding borrowings stood at ₹76,325 crore, an YoY increase of 19.70%.
- 2.5 The total equity of the industry stood at ₹21,419 crore, which is 26% of the net owned portfolio. At an aggregated industry level, domestic equity is 58% of total equity. At an industry level, leverage rose from 3.4 (FY21) to 3.6 in FY22.
- 2.6 At an industry level, average cost of funds for FY22 stood at 12% (FY21:13.51%) and Median Cost of funds at 12.10% (FY21: 13.40%). Overall spread of cost of funds ranged from 9.0% to 16.5%. For, Large MFIs, the range is between 9.1% to 15.0%; for Medium MFIs, range is between 10.7% to 16.5% and for Small MFIs, range is between 9.0% to 15.8%.
- 2.7 NBFC-MFIs employed around 1.43 lakh staff as on 31 March 2022. This is an increase of 20.4% from 1.19 lakh staff as on 31 March 2021. Around 95% of the staff are based at the branch level while the remaining are at MFI Head Offices.
- 2.8 The change in productivity ratios in FY22 over FY21 across various categories of NBFC-MFI are as under:

i. Average GLP per loan officer (₹ crore)

	FY 22	FY 21
Large MFI	1.1	1.1
Medium MFI	0.8	0.6
Small MFI	0.4	0.6
All MFI	1.0	1.1

ii. Average GLP per branch (₹ crore)

	FY 22	FY 21
Large MFI	6.1	6.1
Medium MFI	2.6	2.5
Small MFI	1.4	2.0
All MFI	5.7	5.6

iii. Average clients per loan officer

	FY 22	FY 21
Large MFI	363	424
Medium MFI	358	328
Small MFI	232	313
All MFI	361	414

iv. Average clients per branch

	FY 22	FY 21
Large MFI	2,096	2,274
Medium MFI	1,207	1,309
Small MFI	831	1,083
All MFI	1,989	2,136

Productivity ratios have generally moved adversely during FY22 in case of Small MFIs, which bore the brunt of the two waves of the pandemic and its aftermath.

3. Operations

3.1 The year commenced with the outbreak of the second wave of the pandemic, which continued to have an impact on the economy and the microfinance industry for better part of the year. During the year, ₹87.37 crore was disbursed through 28,115 loan accounts. Due to collections being higher than disbursements, the GLP declined by ₹27 crore as noted earlier. Sector-wise, Tenor-wise, Loan Cycle-wise and Loan Ticket-wise distribution of the portfolio are given below :

i Sector-wise

Sector	No. of Loans (As on 31/03/2022)	Principal Outstanding (₹ crore) (As on 31/03/2022)	Share (As on 31/03/2022)	Share (As on 31/03/2021)
Agriculture	43,958	73.22	54.45%	53.15%
Animal Husbandry	3,038	4.57	3.40%	3.44%
Artisan	1,106	1.55	1.15%	1.43%
Live Stock	423	0.89	0.66%	0.07%
Service Sector	2,720	4.01	2.98%	3.55%
Small Business	27,471	45.83	34.08%	33.71%
Small Road Transport Operator (SRT0)	1,282	2.02	1.51%	1.58%
Village & Cottage industry	2,206	2.37	1.76%	3.08%
Total	82,204	134.47	100.00%	100%

Around 59% of the portfolio was deployed in the agriculture and allied sector. The rest was in secondary and tertiary sectors. The sectoral distribution of the portfolio remained broadly similar between FY22 and FY21.



ii Tenor-wise

Tenor	No. of Loans (As on 31/03/2022)	Principal Outstanding (₹ crore) (As on 31/03/2022)	Share (As on 31/03/2022)	Share (As on 31/03/2021)
Upto 12 months	56,372	75.15	55.88%	62.32%
More than 12 months to 18 months	-	-	0.00%	0.01%
More than 18 months to 24 months	25,832	59.33	44.12%	37.68%
Above 24 months	-	-	0.00%	0.00%
Total	82,204	134.47	100.00%	100.00%

The share of portfolio outstanding in the tenor (18-24 months) increased to 44% as on 31st March, 2022 from under 38% as on 31st March, 2021. This is due to average ticket size of loans increasing to above ₹30,000/- (₹31,076/-) during the year. As per extant guidelines during FY22, loan amounts in excess of ₹30,000/- must have a tenor at least 24 months.

iii Loan Cycle-wise

Cycle	No. of Loans (As on 31/03/2022)	Principal Outstanding (₹ crore) (As on 31/03/2022)	Share (As on 31/03/2022)	Share (As on 31/03/2021)
1st Cycle	22,451	22.86	17.00%	26.04%
2nd Cycle	26,682	41.52	30.88%	38.18%
3rd Cycle	23,708	47.98	35.68%	34.88%
4th Cycle	7,413	17.70	13.16%	0.90%
5th Cycle	1,950	4.41	3.28%	0.00%
Total	82,204	134.47	100.00%	100.00%

With continuing maturity of existing borrowers, the share of 4th and 5th cycle loans increased to just under 17% in FY22 from 0.90% in FY21.

iv Loan Ticket-wise

Ticket size (in ₹,000)	No. of Loans (As on 31/03/2022)	Principal Outstanding (₹ crore) (As on 31/03/2022)	Share (As on 31/03/2022)	Share (As on 31/03/2021)
2-5	6	0.00	0.00%	0.00%
5-10	1,273	0.59	0.44%	0.88%
10 to 15	1,218	0.98	0.73%	1.04%
15 to 20	14,385	13.13	9.77%	13.55%
20 to 30	39,490	60.43	44.94%	46.85%
30 to 50	25,832	59.33	44.12%	37.68%
Total	82,204	134.47	100.00%	100.00%

The share of loans above ₹20,000/- grew to 89% in FY22 from 84.53% in FY21.

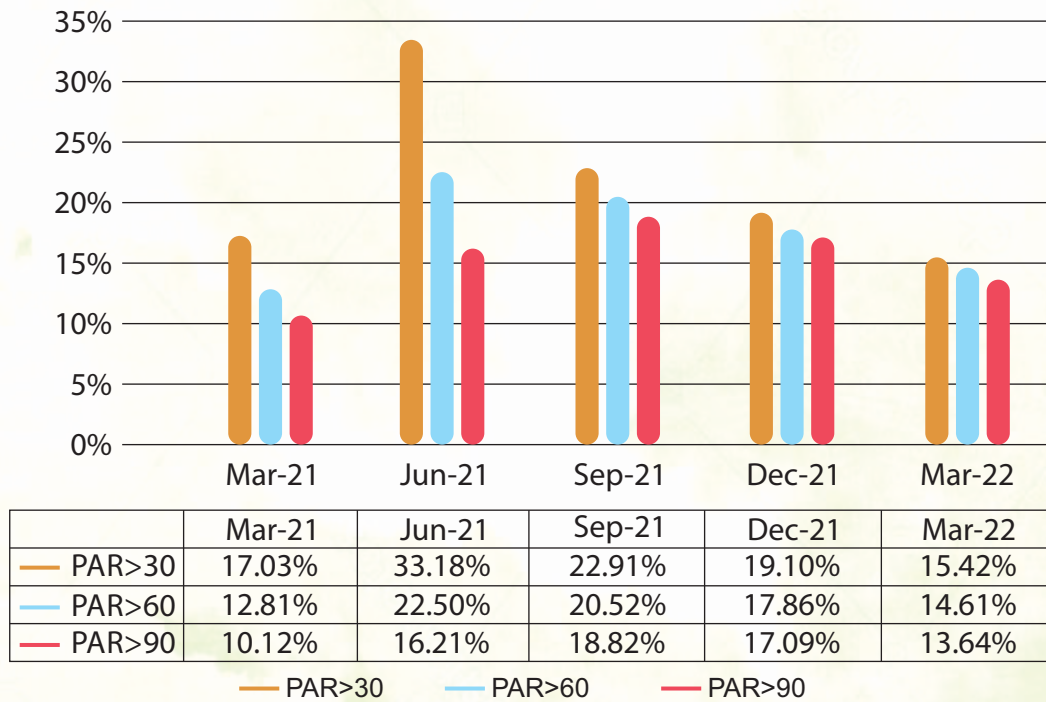
- 3.2 Due to the pandemic, it was decided not to open any new branch during the year but to consolidate the existing network. The portfolio concentration in West Bengal dipped marginally to 58.96% at the end of March'22 from 60.06% at the end of previous March. The portfolio share of Bihar on the other hand increased marginally to 31.03% during the year from 30.75% last year. These two States continue to hold about 90% of the portfolio. With regards to other served States, the share of Odisha grew to 5.26% from 4.62% in FY21. The share of the rest of the States remained nearly static with Jharkhand at 2.76%, Tripura at 1.03% and Assam at 0.96%.
- 3.3 The collection efficiency, which rose to 89% as in Mar'21 dipped to a low of 47.92% in May'21 due to the second wave of the pandemic. However, since Jul'21, it improved continuously on a month-on-month basis. Various measures were undertaken to improve collections, particularly from relatively sticky higher PAR bucket cases. This included payment of incentives, creation of a strong Recovery Task Force and close monitoring and periodic review by the top management.

4. Portfolio Quality

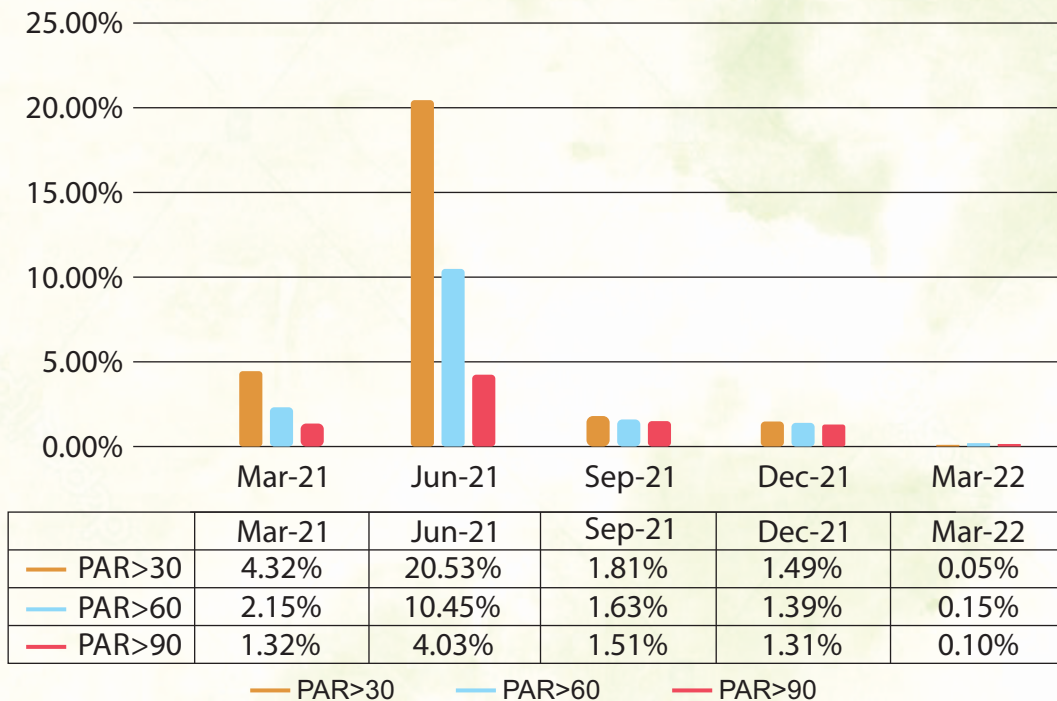
- 4.1 The resurgence of COVID-19 pandemic during the months of April-May'21 (second wave) once again resulted in significant financial stress for the borrowers. With the objective of alleviating this potential stress to individual borrowers and small businesses, RBI vide Circular No. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 (Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses) put in place a set of measures. These measures are broadly in line with the contours of the Resolution Framework - 1.0 (Circular No. DOR.No.BP. BC/3/21.04.048/2020-21 dated August 06, 2020) with suitable modifications.
- 4.2 The Company, with the approval of the Board, implemented the Resolution Framework 2.0 with effect from 15th July, 2021. The resolution involved granting of moratorium to 65,040 select loan accounts (POS: ₹71.18 crore) till 30th November, 2022 basis the eligibility criterion detailed in the RBI Circular. The portfolio outstanding of these restructured accounts stood at ₹41.13 crore as on 31st March, 2022. This comprises 30.59% of the Company's total loan portfolio. In accordance with the RBI Circular, this portfolio is upgraded as Standard and requisite provisioning is created. The collections from these assets have risen steadily on month-on-month basis. The aggregate collections against deemed demand of this portfolio since the date of restructuring has been 60%.
- 4.3 While the resolution framework was implemented by the Company on its own portfolio, the BC partners did not provide any kind of moratorium to the borrowers or restructure the assets. As a consequence, the PAR on the managed portfolio was much higher when compared to the on-book portfolio. The Company and its BC partners, however, expect that with collection efficiency gradually improving, the PAR 90 levels will come down.



GLP



OWN PORTFOLIO



4.4 With economic activity returning to near normal, we expect that the stress in the cash flow of our borrowers will gradually subside, leading to an improvement in the portfolio quality. This is borne by the fact that PAR90 is just 0.71% in respect of the loans disbursed during FY22. The following table provides the bucket-wise PAR details for such loans.

	No. of Loans	(₹ cr.)	
Disbursement-FY22	28,115	87.37	
Total POS (31/03/2022)	27,530	65.19	

PAR Bucket	No. of Loans	POS (₹ cr.)	PAR%
PAR < 30	136	0.21	0.32%
PAR 31-60	89	0.17	0.27%
PAR 61-90	67	0.13	0.20%
PAR 91-120	44	0.10	0.15%
PAR 121-180	44	0.10	0.15%
PAR 181-365	88	0.27	0.41%
Grand Total	468	0.97	1.49%

5. Financial Results

5.1 Notwithstanding the disruption caused by the pandemic, the Company has been able to perform creditably during the year. As on 31st March, 2021 (audited), the Asset Under Management (AUM) stood at ₹ 134.47 crore with PAT of ₹2.05 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 ₹44.50 crore. The key financial metrics are given below:

Particulars	FOR THE YEAR ENDED	FOR THE YEAR ENDED
	31-03-2022 (₹ Lakh)	31-03-2021 (₹ Lakh)
1 Revenue from Operations (i+ii)	2060.62	3,188.60
(i) interest Earned	1996.73	3,128.29
(ii) Loan Processing Fee Earned	63.89	60.31
2 BC Commission	347.06	519.89
3 Total Other Income	203.53	121.96
4 Total Revenue (1+2+3)	2611.21	3,830.45
5 Total Finance Cost (a+b)	1081.60	2,016.87
(a) Interest Expended	978.46	1,965.92
(b) Loan Processing Fee Paid+Stamp Charges	103.14	50.95
6 Operating Expenses (aa+bb)	1233.37	1,222.88
(aa) Employee Cost	768.95	833.20
(bb) Other Operating Expenses (incl. depreciation)	464.42	389.68
7 Total Expenditure (5+6) (Excluding Provisions & Write-offs)	2314.97	3,239.75
8 Operating Profit (4-7) (Profit before Provisions & Write-offs)	296.24	590.70
9 Provisions for Loan Loss + Write-offs	65.79	496.57
10 Profit Before Tax (PBT) (8-9)	230.45	94.13
11 Tax Expenses	25.86	47.62
12 Profit After Tax (PAT) (10-11)	204.58	46.51
13 Net Interest Income (NII)	1018.27	1162.37
14 Gross Loan Portfolio (GLP)*	13,447.48	16,143.79
15 Own Portfolio	9162.01	9,869.80
16 Net worth	4450.01	4245.42
17 Capital Adequacy (CRAR)	47.33%	42.42%
18 NPA		
(i) Gross NPA (₹ Lakh)	8.78	129.95
(ii) Net NPA (₹ Lakh)	4.39	29.31
(iii) % of Gross NPAs	0.10%	1.32%
(iv) % of Net NPAs	0.05%	0.30%
19 Debt Raised during FY (₹ Lakh)	7375	6370
20 Total Outstanding Borrowing (₹ Lakh)	8619.19	9917.94

*Including Receivables from BC Partner/s



- 5.2 Revenue from operations of the Company declined considerably due to low disbursement levels during the year and consequent decrease in MFI loan portfolio. It was a strategic decision to go slow on disbursement since the impact of second and third waves of COVID-19 were uncertain. Similarly, commission income from BC operations declined due to low disbursements by the partners. Secondly, during the past two years, the RBI regulated interest rates (for microfinance loans offered by MFIs) consistently declined, which adversely impacted the interest earnings from the fresh loans disbursed. This rate charged by Janakalyan to its borrowers declined from 24.09% (Q1FY21) to 21.70% (Q4FY22). Further, the Company was obliged to lend at 2% below the borrowing rate under the funds received under CGS.
- 5.3 The finance cost declined by ₹9.35 crore during the year. This was the cumulative effect of two factors, (i) Progressive reduction in borrowing outstanding position (by nearly ₹13 crore) as a result of maturity of older loans and lower quantum of fresh borrowing during the year (as compared to principal repayment) and (ii) Replacement of relatively higher cost NBFC loans with low cost loans from banks and DFIs. Nearly 80% of the fresh borrowing during the year was from the banks/DFIs, where the rate of interest charged is significantly lower than that from the NBFCs.
- 5.4 The Company follows a prudent provisioning policy as per the regulatory norms applicable to MFIs. As on 31st March, 2022, 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). During the year, the Company provided ₹55.65 lakh against the portfolio restructured in accordance with the RBI's Resolution Framework 2.0.
- In addition to the above provisions, the Company has made prudent provision of 2% on "off-balance sheet" loan portfolio as on 31st March, 2022.
- 5.5 The profitability of the Company had declined sharply in FY 21 due to the COVID related write-offs in the books to the tune of ₹ 3.86 crores. Collection aggregating to ₹61.21 lakh from these write-off assets has been received by the Company as on 31/03/2022 and added to the Company's P&L. The Company expects such collections to continue in future as well, which will be a source of additional income for the Company. The company has written off these debts based on the principal of conservatism and prudent tax-efficient financial management. During FY22, while there was a write-off of ₹1.87 cr., an amount of ₹1.25 cr. excess provision created on managed portfolio was written back. The PAT therefore, improved in FY22 on the back of lower expenses and writing back of provisions created earlier under the BC portfolio.
- 5.6 The Gross and Net NPAs on own portfolio are low on account of implementation of RBI Resolution Framework 2.0 whereby moratorium has been provided to stressed loan accounts till 30th November, 2022. While the collections from these assets have steadily risen, further likely slippages cannot be ruled out. Additional write offs and provisioning are therefore, likely for FY23.
- 5.7 The Company faced major hurdles in raising debt from the lenders during the first half of FY22 due to the second wave of the pandemic. This was compounded by the fact that the external

rating could not be upgraded to investment grade (BBB-) despite improved collection efficiency, reduced delinquencies, and a relatively improved financial closure for FY21. The liquidity subsequently improved with the announcement of Credit Guarantee Scheme for MFIs (CGSMFI) by the Government of India. Janakalyan was able to raise ₹53.50 crore from four banks, including three new large PSU banks under the Scheme. The total debt raised during the year stood at ₹73.75 crore (FY21: ₹63.70 crore).

- 5.8 The average cost of borrowing as on 31st March, 2022 stood at 12.74%(FY21: 13.98%), which is a reduction of 1.24% over FY21. As noted earlier, the reduction is due to the higher quantum of low-cost borrowings from banks/DFIs during the year. The margin improved by 1.05% to reach 8.96% as on 31st March, 2022 (FY21: 7.91%). The margin was within the RBI stipulated margin cap of 10%.
- 5.9 The Company continues to be well capitalized with the Capital to Risk Adjusted Assets (CRAR) at a healthy 47.33% against the regulatory requirement of 15%. While the Tier I Capital stood at 45.46%, Tier II Capital was at 1.86%.

6. Productivity

The key operational and financial ratios of the Company stood as under :

Sl. No.	Metric	As on 31-03-2022	As on 31-03-2021
	Operational		
1	Average GLP per loan officer (₹ crore)	0.50	0.57
2	Average GLP per branch (₹ crore)	1.79	2.15
3	Average Clients per loan officer	306	404
4	Average Clients per branch	1096	1520
5	Operating Self Sufficiency Ratio (OSS)	110%	103%
6	Operating Expenses Ratio (OER)	9.19%	5.73%
7	Portfolio Yield	21.15%	21.64%
	Financial		
1	Net Interest Margin (NIM)	10.79%	8.04%
2	D/E Ratio	1.94	2.34
3	Debt Service Coverage Ratio (DSCR)	0.86	0.95
4	Net Profit Margin	9.93%	1.46%
5	Return on Equity (RoE)	4.71%	1.20%
6	Return on Total Assets (ROTA)	1.53%	0.27%

- 6.1 The operational productivity ratios declined during FY22 due to reduction in the portfolio and borrowers and were marginally lower than the industry numbers as detailed under section 2.8 above.
- 6.2 The OER increased considerably during the year. This is due to the fact that while operational expenses remained broadly at the same level as FY21, the underlying portfolio declined by as much as ₹27 crore. The OSS has improved due to lower provisioning during FY22, resulting in significantly lower total expenditure during the year.
- 6.3 NIM improved during the year as a consequence of lower interest expenses and declining portfolio.
- 6.4 The Company's financial gearing was comfortable with Debt/Equity ratio at 1.94 as on 31st



March, 2022 (as on 31st March, 2021: 2.34). The gearing improved as a result of lower outstanding borrowing. There is enough headroom, therefore to leverage further in order to grow the asset book.

6.5 Profitability ratios improved due to increase in PAT during the year.

7. Rating & Grading

7.1 The Company's external rating was **upgraded to BBB-** (Outlook: Stable) from BB+ (Outlook: Stable) at the end of the financial year (rating letter dated 4th April, 2022) for the existing fund-based facility of ₹150 crore by M/s Acuite Ratings & Research Ltd. Further, this rating was re-affirmed for an additional facility of ₹50 crore. The rating was upgraded on the back of improvement in its asset quality, disbursal volumes and financial performance since Q2FY22.

7.2 Consequent upon expiry of earlier MFI grading report in November, 2021, the Company had given a mandate to M/s SMERA Gratings & 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** on an eight-point grading scale, with 'M1' being the highest and 'M8' being the lowest.

Previous grading assigned to Janakalyan was also M3 (by SMERA).

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 **28th November, 2022.**

7.3 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). The Company has maintained the previous COCA rating of "C2." 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 SMERA
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 **27th February, 2023**.

8. Human Resources

- 8.1 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 Trainings at periodic intervals. The senior employees were provided trainings on Leadership Development, Corporate Governance and Soft Skills. Due to COVID, physical class-rooms trainings were replaced by on-line trainings, which proved to be equally effective.
- 8.2 The Company's total staff strength declined by 25 during the year, largely from the cadre of Field Officers. Since fresh recruitments were made only against resignations and no new branches were added, the staff count remained range bound. Field Officers constitute 61% of the total staff. The percentage of female employees increased to 24% from 22.68% last year.

Staff Category	Mar-22	Mar-21
ZH/CH	22	21
HO	58	59
BH/ABH	89	101
Field Officer	269	282
Total	438	463

- 8.3 The overall staff attrition for FY22 stood at 22.8%. This compares very favorably with the rate reported for the industry by MFIN. For the NBFC-MFI industry, while the overall attrition was at 48.7%, it was highest in respect of the Medium MFIs at 55.1% followed by Large MFIs at 48.4% and Small MFIs at 41.8%.
- 8.4 A Capacity Building programme was organized at HO in collaboration with the National Board for Workers Education and Development wherein relevant concepts in the areas of Finance, Team Building and Leadership were explained to the participants.

9. Risk Management

- 9.1 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 regards 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.
- 9.2 The KRIs that were of concern during the year related to portfolio quality (PAR and OTR), cash flow, client drop-out ratio and regulatory compliances. While the Company noted lowering of risks in these KRIs as compared to FY21, yet their values continued to be in the high-risk zone, necessitating their continuous monitoring by the RMC.
- 9.3 The ALM Risk is mitigated by ensuring matched funding without any adverse mismatch in structural liquidity. As on 31st March, 2022, the Company has positive mismatches for all buckets excepting for the 5 years' time bucket. This is the result of availing long term borrowing from Bank and FIs while giving short term loans to borrowers. However,



cumulatively, there is a 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.

9.4 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.

10. Inspection

10.1 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 four components of evaluation, viz., Process Management, Pre-Disbursement Check (PDC), Loan Utilisation Check (LUC) and Branch Compliance. 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. 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)

10.2 ESG compliance has been included as a part of the inspection process of the branches. The data on the various ESG parameters are digitally collected as the requisite module is incorporated in operating software (BIJLI).

10.3 During the year under review all the 75 branches were inspected. Of these, 61 branches were graded as A and 14 branches graded as BB. None of the branches were graded as AA.

Grade	Mar-21	Mar-22
	No. of Branches (% of total)	No. of Branches (% of total)
AA	22 (31%)	0 (0%)
A	46 (66%)	61 (81%)
BB	2 (3%)	14 (19%)
B	-	-
Total	70	75

10.4 During FY21, due to full/partial lock-down during major part of the year, branches were graded after removing the criterion of business. Consequently, 22 branches received AA grade basis their performance on non-business parameters. However, with business having gradually resumed during FY22, particularly during H2, the criterion of business has been restored. Due to liquidity crunch and lingering impact of the pandemic, business targets could not be reached resulting to none of the branches qualifying for AA grade.

10.5 Performance Review meeting of the Internal Inspection Department is held every month, which is also attended by senior management in order to exchange thoughts on improving the effectiveness and productivity of the department. The forum is also used to deliberate on critical trends and relevant developments in the industry having a bearing on the inspection process.

11. Information Technology

11.1 Janakalyan has brought about greater efficiency and cost effectiveness in its operations through extensive use of technology. It has partnered with M/s Force Ten Technologies (software firm) to develop and customize a complete solution for activities like loan processing, Accounts, HR and MIS records and reports. All the field operations, including loan origination, KYC checking, collection, monitoring and process of disbursement are automated. The entire field staff is using “Janakalyan” app to handle the above processes through tab/mobile. Further, the processes of credit decisioning, credit bureau check using rule engine (API) and disbursement through NEFT to Bank accounts are also automated. The platform is under constant updation, through the recently added module to contact customers with the help of the software and also recording / monitoring the same for customer grievances etc. The Company uses HR software provided by Relyon Technologies for all HRMS related issues, like payroll processing, training, promotion etc.

11.2 The Company has made rapid strides in the area of digital collection of EMIs from its borrowers. Collection through the Bharat Bill Payment System (BBPS) started in December, 2020 and since achieved significant traction. The borrowers found it convenient to pay using digital mode as it left a transaction trail on their statement/passbook for cross-verification and auditing. The collections during FY22 reached ₹43.67 Lakh from 3493 borrowers. In order to enlarge the coverage, the Company has since introduced two additional options of digital payment. These are the Aadhar Enabled Payment System (AEPS) and Quick Response Code (QR code Scan & Pay).

11.3 The Company began the SMS facility for its borrowers in the month of May, 2022 and since then it has sent around 6lakh SMSs to the beneficiaries. The SMSs are currently being sent to (i) remind the borrower regarding the instalment due date and (ii) acknowledge the receipt of payment from the borrower. This is expected to improve collection efficiency and create deeper engagement with the customer. In the future more, services are expected to be added.

11.4 Usage of digital solutions have increased the productivity of staff as they do not have to spend time filling out paper forms before entering the customer data into the system. The digital payment solutions like BBPS, AEPS and QR Based Pay have reduced the scope for staff fraud, errors and the risks associated with handling cash.

12. Environment Social and Governance (ESG)

12.1 ESG initiative in Janakalyan is focused towards ensuring overall sustainable development in its area of operation and hence the environmental and social considerations play a significant role in the way it conducts its own business activities and interacts with all stakeholders.

12.2 Janakalyan has framed a Board approved ESG policy and constituted a four member committee headed by VP & Head- HR & Admin to take the initiatives forward. The scope of the Committee is to (i) Initiate necessary steps to disseminate information about the ESG policy and initiatives amongst the employees of the Company, (ii) Promoting a culture of



compliance and ethics amongst the staff and (iii) Training on various safety related measures and eco-friendly waste disposal techniques.

12.3 The Company has also commissioned an ESG audit through SMERA, which has since given its report. Janakalyan has an overall sustainability score of 77 (out of 100) and a sustainability grade of four stars which signifies that the company has a good track record of sustainable risk management, but no evidence of a robust framework. Considering the material issues for the industry, the Company has taken initiatives for community support & development, data privacy & security and product responsibility. The areas of improvement for the company include increased female participation in the workforce, improving water efficiency and adhering to ISO standards.

13. Social Welfare Initiatives

13.1 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. The Company has a strategic partnership with Sreema Mahalia Samity, Nadia (an NGO) for credit plus activities. Many of these programmes were implemented through this NGO.

13.2 During the year, 35 Leadership Development and Financial Literacy programmes were organized in the different districts of West Bengal, Bihar and Odisha. The response was very positive.

13.3 The Company, in collaboration with the Department of Animal Husbandry, Government of West Bengal held awareness camps on different poultry farming schemes and how it can help in improving income and reducing poverty. Six such camps were held in the District of Nadia.

13.4 With the growing demand for plant nurseries over time, it has established itself as a profitable business for the villagers. Nursery business is famous in the districts of Nadia and North 24 Parganas. Janakalyan organized several camps to educate the group members about the nurturing of plants and making it more profitable business venture in their locality.

13.5 Janakalyan is actively involved in the promotion of education. As a part of the programme, the Company is providing coaching facility to 200 students through 10 Coaching Centres in the Ranaghat II block of Nadia District. Trained and caring teachers make education enjoyable and therefore drop out ratio is minimal in the school.

13.6 The International Women's Day was celebrated to raise awareness about the women rights and dignity of women at the premises of the Company's Ranaghat Branch on 8th March 2022. The Day was also observed to recognize the successful women entrepreneurs. Two successful entrepreneurs, who were financed by Janakalyan were felicitated with a memento.

13.7 The Company organizes periodic health checkup in the operational areas. During the year, two cancer awareness camps apart from regular health checkup camps were organized, one at Lauhati and another one at Bongaon, North 24 Parganas in collaboration with Thakurpukur Cancer Hospital and Cancer Society of India. In both the camps more than 200 persons attended. The critical cases post diagnosis were advised to take admission in the Thakurpukur Cancer Hospital with free treatment facilities.

13.8 Janakalyan has collaborated with the National Board for Workers Education and

Development, Ministry of Labor & Employment, Government of India to educate the borrowers about the different welfare scheme and income generating programmes. A number of such awareness camps were organized during the year in the districts of North and South 24 parganas.

14. Outlook and Challenges

14.1 CRISIL in a recent report noted that the extended run of setbacks for microfinance lenders might finally be ending. According to the report, "Non-banking Financial Companies Microfinance Institutions (NBFC-MFIs) have in recent times managed a number of challenges like unfavourable macro conditions, unforeseen calamities and policy measures like demonetisation; while more recently the Covid-19 pandemic seriously hampered their asset quality. The second wave of the pandemic, in particular, had affected the earning capacity of borrowers from low-income groups, to which these lenders typically cater to. As a result, the sector witnessed a relatively higher restructuring compared with other asset classes - the only option to support its borrowers at that time. Most of the larger NBFC-MFIs lived up to the challenge, focusing on maintaining adequate liquidity, provisioning and capitalization buffers. Then in March this year, the Reserve Bank of India came out with new harmonised lending norms that CRISIL Ratings expects will level the playing field for NBFC-MFIs to some extent. The landscape is now starting to look up for NBFC-MFIs."

In support of its outlook, CRISIL noted the following macro developments besides RBI's new regulatory framework for the microfinance industry announced on 14th March, 2022:

- i. Monthly collections have almost normalised, asset quality improving but performance of the restructured portfolio remains a monitorable.
- ii. NBFC-MFIs well placed on capitalisation, liquidity and liquidity buffer at a sectoral level. However, differentiation in access to funding was visible. Large players with strong parents/capital structure were better placed while for others, access to incremental debt was limited.
- iii. Economic revival and unmet demand in rural regions to drive growth.
- iv. Credit costs remain susceptible to socio-political disruptions.

14.2 RBI vide its Circular RBI/DOR/2021-22/89 dated 14.03.2022 has come out with Master Direction on Regulatory Framework for Microfinance Loans. These guidelines are effective from 1st April, 2022 and cover the following areas:

- a. Definition of qualifying asset
- b. Concept of household income
- c. Fixed Obligation to Income Ratio (FOIR)
- d. Pricing norms
- e. Disclosure norms

14.3 The impact of the new guidelines is expected to be positive for the industry as well as the Company. The reasons are as under:

- i. Harmonisation of regulations. Banks/SFBs/NBFC-MFIs are all on a level playing field. The erstwhile restrictions in connection with pricing of loans, client eligibility, etc. applicable for NBFC-MFIs alone have been removed.
- ii. Risk based pricing of loans; will aid profitability.



- iii. Uniform reporting to credit bureaus by all lenders will lead to better credit decisioning. Will address the issue of over-indebtedness and streamlining of income assessment.
- iv. Enlargement of market size, especially in rural areas due to increase in permissible household income.
- v. Loans can be given for any purpose. MFIs can design new products to cater to life cycle needs like housing, sanitation, education, etc.
- vi. MFIs can cross sell “non-credit” products Collateralized loans can go up to 25% (earlier 15%). QA criterion revised to 75% (of overall assets).
- vii. Removal of margin-cap to support bottom line.

14.4 The new guidelines are expected to support growth in AUM. Equally, earnings profile and profitability will improve on the back of rising portfolio yields. However, two clear challenges before the Company are those related to asset quality and funding. While the asset quality is expected to improve going forward, the performance of the restructured portfolio and borrower indebtedness clearly need to be monitored closely. Further slippages may necessitate higher provisioning and capital buffers. Steady and predictable access to funding will be critical for growth of own portfolio. Infusion of capital at regular intervals is a must in order to absorb the shocks arising out of such “Black Swan” events like COVID and also the fact the industry is susceptible to socio-political issues and inherent vulnerabilities of the target segment.

14.5 Looking ahead, we believe that the need for intermediation and financial inclusion at the grass root level will continue to be present, 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 sustainable returns to all the stakeholders. In addition to addressing the challenges of asset quality, funding and capitalization, the Company will stay focused on the following:

- a. Expansion of BC/Co-lending businesses by forging new partnerships.
- b. Impart greater emphasis on digital collection.
- c. Improving operational efficiency and staff productivity.

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

Sunanda Kumar Mitra
Chairman

Alok Biswas
Managing Director

Community-driven initiatives

Our community development initiatives are focused on the protection of natural resources, sustainable livelihood, and women empowerment, among others. We are proactively working towards bringing about a holistic societal change. These activities are executed through a participatory process and the planning of the programmes is decided as per the need of the people.

Corporate Social Responsibility has been more than a statutory obligation for Janakalyan. It has always been our core motive to empower the people in our community with comprehensive growth opportunities. Janakalyan is committed to adopting sustainability at the core of many interventions. Institutional building, and Capacity building, among others, are some of the initiatives Janakalyan has been working towards.





Strong ESG Orientation with Core Sustainability Focus Janakalyan continues to focus on its Environment, Social and Governance (ESG) orientation. Guided by its strong Social alignment and Governance practices, Janakalyan provides

access to income generation loans for households in the most financially excluded States of India while also empowering both customers, as well as employees. Through its diversified product suite,

Janakalyan published its Impact Report, 2022 covering the overall outreach created in the ESG space by its entity, till date.

Read the Group Impact Report, 2022 here :



DIRECTOR'S REPORT

Dear Members,

The Board of Directors are pleased to present the 6th Annual Report of your Company ("the Company" or "Janakalyan") along with the audited financial statements, for the financial year ended March 31, 2022.

FINANCIAL RESULTS

Particulars	31 st March, 2022 (in Rs.)	31 st March, 2021 (in Rs.)
Total Revenue	26,11,21,159	38,30,45,735
Less: Total Expenses	23,80,77,018	37,36,32,442
Profit before Tax	2,30,44,141	94,13,293
Current Tax	29,90,100	47,61,321
Deferred Tax Liability	(4,04,142)	956
Tax of Earlier Years	-	-
Total Tax Expenses	25,85,958	47,62,277
Profit for the Year	2,04,58,184	46,51,016

OPERATIONAL PERFORMANCE

Operational performance for the financial year ended March 31, 2022 is summarized below:

The Company attained business performance by reaching out to 83,258 active loan clients as on March 31, 2022.

The above was possible with the excellent efforts of 438 employees of the Company as of March 31, 2022, through 75 Branches, across 6 states and 22 districts in India.

The Company already has borrowing arrangements with a large number of lenders and has started associations with a few more institutions to diversify its sources of borrowing.

CASH FLOW STATEMENT

The Cash Flow Statement for the year ended on March 31, 2022 prepared under the provisions of the Companies Act, 2013 is attached as a part of the Financial Statement of the Company

ANNUAL RETURN

In accordance with Section 92 and 134(3)(a) of the Companies Act, 2013 ("the Act"), a copy of the annual return in the prescribed format is uploaded on the website of the Company and may be accessed at www.janakalyan.net

SHARE CAPITAL

During FY' 21-22, there was no change in Authorized Share Capital and Paid-up Share Capital of the Company. As on March 31, 2022, the Authorized Share Capital of the Company was, Rs. 50,00,00,000 (Rupees Fifty Crore) comprising of 5,00,00,000 (Five crore) equity shares of Rs. 10/- (Rupees Ten only) each.

During FY' 21-22, there was no change in issued, subscribed and paid-up equity share capital of the Company. As on March 31, 2022 the issued, subscribed and paid-up equity share capital of the Company was Rs. 25,35,08,630/- (Twenty-Five Crore thirty-five lakhs eight thousand six hundred and



thirty rupees only)

DEPOSITS

The Company had not accepted/received any public deposits during the year under the report falling within the ambit of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 1998 or Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014.

TRANSFERTO RESERVES

Considering the profit by the Company this year, Rs. 40,91,637 has been transferred to the Statutory Reserve as per Section 45-1C of Reserve Bank of India Act. 1934 and an amount of Rs. 19,14,91,794 is the accumulated balance in Statutory Reserve.

DIVIDEND

The Board of Directors shares the promoters' vision to grow the business lines of the Company and enhance the rate of return on investments for the shareholders. In order to finance the long-term growth plans of the Company that requires substantial equity, the Board of Directors has not recommended any dividend for the year under review.

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 which is provided separately in this Annual Report as per Annexure I.

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. Dhara Jitendra Mehta (DIN:7410469), Nominee Director of Small Industries Development Bank of India, resigned from the Board of Directors of the Company with effect from June 10, 2021, for personal reasons and Mr. RV Dilip Kumar, holding Director Identification No. 01060651 representative of Small Industries Development Bank of India was appointed as Nominee Director on the Board of the Company with effect from 09th July 2021.

The Board place on its record its appreciation for the valuable contribution of Dhara Jitendra Mehta in the sustained growth of the Company during her tenure.

As of March 31, 2022, 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, 2022, 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, 2022 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
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CREDIT RATING

SMERA has assigned a Grading of "M3"; Acuite Ratings & Research Limited has assigned a Rating of 'BBB-' Outlook Stable on the Long-term Bank Facilities (amounting to INR 200 Cr)

CAPITAL ADEQUACY

Your Company is well-capitalized and had a capital adequacy ratio was 47.33% as on March 31, 2022, 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, 2022, was Rs. 44.50 crores.

RESOURCE MOBILIZATION

Term Loan / Sub debt During FY' 21-22, the Company has diversified its sources of funds and raised a sum of Rs. 73.75 Crore) by way of short-term and long-term loans.

COMMITTEES DETAILS

As on March 31, 2022, the Company has 3 committees which govern and oversee different areas of the Company's operations ensuring regular guidance and monitoring. For further details please refer to Corporate Governance Report, which form the part of Directors' Report.

RELATED PARTY TRANSACTIONS

During the FY' 22, all related party transactions were in the ordinary course of business and at arm's length price basis and within the permissible framework of Section 188 and other applicable provisions of the Act and rules made thereunder.

The policy on Related Party Transactions, as approved by the Board, is displayed on the website of the



Company i.e. www.janakalyan.net and the details of the transactions with related parties are provided in the Notes to financial statements.

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.

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

There are no such material changes that 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, changes 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 the conservation of energy and technology absorption do not apply to the Company.

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 of 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 MD and proceedings reported to the Board. The Risk Management Plan forms the basis for the 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 SOCIAL RESPONSIBILITY

In compliance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established the Corporate Social Responsibility The committee (CSR Committee) and the composition and function thereof are mentioned in the Corporate Governance Report.

The Board adopted the CSR Policy, formulated and recommended by the CSR Committee, and the same is available on the Company's website.

During the year, as per the budget, the Company spent on Skill Development & Education.

The details of the CSR activities undertaken during the year are given in the report on Corporate Social Responsibility activities which is annexed as Annexure II to the Directors' Report.

WHISTLE BLOWER POLICY OR VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

As per the provision of Section 177(9) of the Companies Act, 2013, read with rule 7 of the Companies

(Meeting of Board and its Power) Rules, 2014, the Company is required to establish an effective vigil mechanism for Directors and Employees to report any genuine concern.

Your Company has established a whistle-blower mechanism for the Directors and employees to report any genuine concerns through email or in writing. Employees are also encouraged to report any unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy or illegal activity occurring in the organisation. In exceptional cases, directors or employees can raise their concerns directly to the Chairman of the Audit Committee by sending an email to akdas0412@gmail.com. The cases reported will be investigated and resolved within strict timelines. The identity of the whistle-blower will be kept confidential and protected from retaliatory actions is also provided for in the policy.

During the year under review, your Company has not received any such complaint.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES

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

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.

INFORMATION REQUIRED UNDER THE 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 the workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment.

During the financial year, 2 cases were reported and both were effectively closed.

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.

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.

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 the 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 Rs. 1,25,000 in the rural area and Rs. 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 toward 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 populations striving to improve their standards of living and economic status.

During the year under review, Janakalyan served a total number of 28,115 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.

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

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, 2022, the Board consisted of 5 members which included two Executive Directors, two Independent Directors and one Nominee Director.

DETAILS OF COMMITTEES OF BOARD OF DIRECTORS

The details of the Committees of the Board namely the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility (CSR) Committee and 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 has approached M/s Prateek Kohli & Associates, Practising Company Secretary (Certificate of Practice No. 16457) as the Secretarial Auditor of the Company to undertake the Secretarial Audit of the Company for FY 2021-22
- (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.

HUMAN RESOURCES

Your Company treats its "human resources" as its most valuable asset and treats them with all fairness, dignity, and respect. Janakalyan continuously invests in attracting, retaining, and developing talent on an on-going basis.

Your Company pursues the promotion of talent internally through job rotation and job enlargement, training, career progression and mentoring. The Company has a very



comprehensive HR Policy that ensures transparency and fairness at all levels and the Company is also an equal opportunity employer.

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.

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-I.

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.

CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable Laws and Regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions, changes in Government Regulations, Tax Laws, Economic Developments within the country.

ACKNOWLEDGEMENTS AND APPRECIATIONS:

The Board places on records its gratitude to the Reserve Bank of India, Ministry of Corporate Affairs, SROs, other Statutory and Regulatory Authorities, Financial Institutions and Banks for their continued support and guidance.

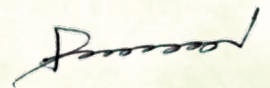
The Board also places on record its appreciation to the Shareholder of the Company for their continuous support and its valued customers for their patronage.

The Board finally expressed its deep sense of appreciation to all the employees of the Company for their strong work ethics, excellent performance, professionalism, teamwork, commitment and initiatives which have led the Company to reinforce its customer-centric image and making commendable progress in a challenging eco-system.

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 : 14-05-2022





Annexure - I

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance refers to the way by which a corporation is governed and, can be said a unique technique by which companies are directed and managed. Corporate Governance can be stated as carrying the business as per the stakeholders' desires and creating a long-term sustainable value for our stakeholders' comprising of employees, regulators, customers, investors, and society at large, through the best-drawn ethical and legal practices.

Janakalyan Financial Services Limited recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, and accountability to its customers, government and others. Integrity and transparency have always been key to Company's corporate governance practices to ensure that the company gains and retain the trust of its stakeholders at all times.

The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and to ensure that the Company evolves and follows not just the stated corporate governance guidelines, but also global best practices. In pursuing its mission of "empowering the under served households and small businesses by offering a range of financial services, in a manner sustainable for all stakeholders", Janakalyan has been balancing its dual objectives of "social" and "financial" goals, since its inception.

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, 2022, 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 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 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 the 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 the 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 2021-2022, the board met 6 (Six) times on May 31, 2021, August 28, 2021, September 20, 2021, November 26, 2021, February 09, 2022 and March 30, 2022 respectively. The details of the board meetings along with the attendance of each Director at the respective Board Meeting are tabled below:

ATTENDANCE OF DIRECTORS DURING THE FINANCIAL YEAR 2021-22

Sl. No.	Name of the Director	Category of Directors	No. of meetings held in FY 21-22	No. of meetings attended in FY 21-22	Whether last AGM attended (20 th September 2021)	Date of Appointment	Date of Resignation
1.	Mr. Sunanda Kumar Mitra DIN: 03521074	Whole-Time Director	Six	Six	Yes	27/07/2016	-



2.	Mr. Alok Biswas DIN: 03141650	Managing Director	Six	Six	Yes	27/07/2016	-
3.	Mr. Asok Kumar Das DIN: 00288606	Independent Director	Six	Five	No	27/04/2019	-
4.	Mr. Atanu Sen DIN: 05339535	Independent Director	Six	Six	No	13/07/2018	-
5.	Ms. Dhara Jitendra Mehta* DIN: 07410469	Nominee Director	One	One	No	09/08/2019	10-06-2021
6.	Mr. R V Dilip Kumar DIN: 01060651	Nominee Director	Five	Two	No	09/07/2021	

*Ms. Dhara Jitendra Mehta resigned from the post of Nominee Director of the Company w.e.f. 10-06-2021

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.

COMPOSITION OF COMMITTEES:

The Company, as on March 31, 2022 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
4	Mr. R V Dilip Kumar	Member

**Ms. Dhara J Mehta resigned w.e.f. 10-06-2021 and Mr. R V Dilip Kumar was appointed w.e.f 09.07.2021*

As on March 31, 2022 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 May 31, 2021, August 28, 2021, November 26, 2021 and February 09, 2022 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	Three
2.	Mr. Atanu Sen	Independent Director	Four	Four
3.	Ms. Dhara Jitendra Mehta*	Nominee Director	One	One
4.	Mr. R V Dilip Kumar	Nominee Director	Three	Two

**Ms. Dhara J Mehta resigned w.e.f. 10-06-2021 and Mr. R V Dilip Kumar was appointed w.e.f 09.07.2021*

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 the 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	Mr. R V Dilip Kumar	Member

As on March 31, 2022 the Committee comprised two (2) Independent Directors and one (1) Nominee Director. The Chairman and Managing Director 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, 9th February 2022.

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	One
3.	Mr. R V Dilip Kumar	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:

- Responsible for making recommendations on board appointments, and on maintaining a balance of skills and experience on the board and its committees.,
- 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	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, 2022.

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	One
4.	Mr. Alok Biswas	Managing Director	One	One

Terms of Reference

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

- i. 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.
- ii. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above; and
- iii. 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 the location and time, where last three Annual General Meetings held are given below:

Financial Year	Venue	Date	Time
2021-2022	CD-193,1 st Floor, Salt Lake City, Kolkata-700064	20 th September 2021	03.00 PM
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

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
2021-2022	No meeting during the Year		
2020-2021	Video Conferencing	26 th June 2020	11.00 AM
	Video Conferencing	10 th February 2021	03.00 PM
2019-2020	No meeting during the Year		

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.

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.

6th Annual General Meeting date, time and venue :

Date & Time : 22nd Day of September, 2022 at 11.00 a.m.

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

Financial Year : April 01, 2021 to March 31, 2022

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

Registered 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 - II

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/>

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 2,46,51,323.67

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

INR 4,70,117.59

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

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

INR 4,70,117.59

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.
4,70,117.59	0	NA	Sreema Mahila Samity. CSR Registration number is CSR00026368	4,70,118	31.03.2022

(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)	4,70,117.59
(ii)	Total amount spent for the Financial Year	4,70,117.59
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.00
(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)]	0.00

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 (in Rs.).	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.







SRB & Associates
CHARTERED ACCOUNTANTS

A-3/7, GILLANDERS HOUSE
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Phone : 4004 7263

BHUBANESWAR - 0674 - 2541043/2545880
NEW DELHI - 011 - 22041892
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CHENNAI - 044 - 23711211
BENGALORE - 080 - 26423004/26423005
HYDERABAD - 040 - 27510739/27510741

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF "JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

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, 2022, 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, 2022, the profit and its cash flows for the year then ended.

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> <ol style="list-style-type: none"> a. We assessed the company's procedure to identify the portfolio loan quality. b. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing of the follows. <ol style="list-style-type: none"> i. Evaluated the design of internal controls relating to early assessment of Loan default cases. ii. Selected a sample of Loan Portfolio and tested the effectiveness of the internal control.
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 and Board of Directors 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 reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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, 2022, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164(2) of the 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;
- B. 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:
 - a. The Company does not have any pending litigations as on 31st March 2022.
 - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses during the year ended 31st March 2022.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



**Biswanath Paul
Partner
M. No. 068186
UDIN : 22068186AJJHGP1963**

Place: Kolkata
Date: 14/05/2022

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 (l) 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, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 31,2022, 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.

Place: Kolkata
Date: 14/05/2022



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

**Biswanath Paul
Partner
M. No. 068186
UDIN : 22068186AJJHGP1963**

Annexure A to the Independent Auditor's report on the financial statements of JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED for the year ended 31 March 2022

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.

(ii)(a) The Company is a Non Banking Financial Company (NBFC-MFI) engaged in micro finance activities. The company's business does not involve inventory, accordingly provision of clause 3(ii) of the order are not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not availed working capital limits in excess of five crore rupees, in aggregate, Accordingly provisions of clause 3(ii)b is not applicable to the Company.





- (iii) (a) The Company is a Non Banking Financial Company (NBFC-MFI) engaged in micro finance activities and its principal business is to give loans. Accordingly provisions of clause 3(iii)a is not applicable to the Company.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is Rs. 8.78 lacs overdue amount for more than ninety days in respect of loans given. The company is taking reasonable steps to recover the amount.
- (e) Since the Company's principal business is to give loan, clause 3(iii)(e) is not applicable.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has complied Section 185 and Section 186 of the Companies Act, 2013 in respect of loans granted, investment made and guarantee or security given.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.



(b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted any loans or borrowings and interest thereon to any any lender during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company Terms loans obtained are applied for the purposes which it was obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis has been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.





(b) According to the information and explanations given to us, no report under subsection (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) The Company did not receive any whistle blower complaints during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements (refer note-22) as required by the applicable Accounting Standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

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

(xvi) (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained registration vide registration no - N-05.07035.

(b) The company was classified as IMBFC-MFI by the Reserve Bank of India and was engaged in micro finance activities during the year.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any Group. Accordingly, clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.



(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

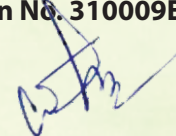
(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(xxi) The company is not required to prepare the consolidated financial statements, the reporting under clause 3(xxi) is not applicable.

Place: Kolkata
Date: 14/05/2022



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


**Biswanath Paul
Partner
M. No. 068186
UDIN : 22068186AJJHGP1963**



JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

		₹ in Lakh	₹ in Lakh
BALANCE SHEET AS AT	Note	31ST MARCH, 2022	31ST MARCH, 2021
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	2,535.09	2,535.09
Reserves & Surplus	4	1,914.92	1,710.34
		4,450.01	4,245.42
NON-CURRENT LIABILITIES			
Long Term Borrowings	5	3,714.67	1,995.30
Deferred Tax Liability (Net)		-	2.35
Long term provisions	9	30.64	31.93
		3,745.32	2,029.58
CURRENT LIABILITIES			
Short Term Borrowings			
Trade Payables			
-Total outstanding dues of micro enterprises and small enterprises		-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		20.98	51.58
Other Current Liabilities	8	25.36	86.27
Short Term Provisions	9	200.35	320.90
		5,151.20	8,381.39
TOTAL		13,346.52	14,656.39
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment and Intangible assets	10		
-Tangible Assets		61.53	73.99
-Intangible Assets		18.42	20.65
Long term loans and advances	11	4,712.56	5,092.76
Deferred Tax Assets (Net)		1.69	-
		4,794.21	5,187.40
CURRENT ASSETS			
Cash and bank balances	12	1,129.11	1,169.56
Short term loans and advances	13	6,160.17	6,732.95
Other current assets	14	1,263.04	1,566.48
		8,552.32	9,468.99
TOTAL		13,346.52	14,656.39

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:22068186AJJHGP1963

Date : 14/05/2022

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

		₹ in Lakh	₹ in Lakh
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED	Note	31ST MARCH, 2022	31ST MARCH, 2021
Revenue from Operations	15	2,060.62	3,188.60
Other Income	16	550.59	641.85
Total Revenue		2,611.21	3,830.46
EXPENSES			
Employee Benefits Expenses	17	768.95	833.20
Depreciation	10	23.45	24.36
Finance Cost	18	1,081.60	2,016.87
Other Expenses	19	440.97	365.32
Provisions and Write-offs	20	65.79	496.57
Total Expenses		2,380.77	3,736.32
Profit before Tax		230.45	94.13
Tax Expenses:			
(1) Current Tax		29.90	47.61
(2) Deferred Tax (Assets)/Liabilities		(4.04)	0.01
(3) Tax of Earlier Years		-	-
Total Tax Expenses		25.86	47.62
Profit for the Year		204.58	46.51
Earning Per Equity Share			
(1) Basic		0.81	0.21
(2) Diluted		0.81	0.21

Significant Accounting Policies and Notes 1 & 2

The accompanying notes are forming an integral part of these Financial Statements

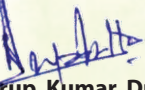
For SRB & Associates
Chartered Accountants
Firm Registration No. 310009E



Biswanath Paul
(Partner)
M. No.068186
UDIN:22068186AJJHGP1963
Date : 14/05/2022
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, 2022

Particulars	2021-22	2020-2021
	₹ in Lakh	₹ in Lakh
Cash Flow From Operating Activities :		
Profit Before Tax and extraordinary items Adjustments for :	230.45	94.13
Loan Loss Provisions	(121.84)	110.40
Depreciation	23.45	24.36
Loss on Sale of Fixed Assets	0.52	
Operating Profit Before Working Capital Changes	132.58	228.89
(Increase)/Decrease in Micro Finance Loans	579.21	6,889.83
(Increase)/Decrease in Other Loans & advances	(6.43)	284.06
(Increase)/Decrease in Non Current Assets	380.20	(1,650.38)
(Increase)/Decrease in Other Current Assets	303.44	(789.94)
(Increase)/Decrease in Other Fixed deposits	138.39	181.11
Increase/(Decrease) in Trade Payables	(30.61)	(10.10)
Increase/(Decrease) in Current Liabilities	(60.91)	(72.52)
Increase (Decrease) in Provision for Taxation	(29.92)	(339.86)
Net Cash Provided By/(Used In) Operating Activities (A)	1,405.96	4,721.09
Cash Flow From Investing Activities Purchases of Fixed Assets	9.28	10.28
Net Cash Provided By/(Used In) Investing Activities (B)	(9.28)	(10.28)
Cash Flow From Financing Activities :		
Increase in Borrowings	(1,298.74)	(5,397.38)
Proceeds From Issuance of Share Capital	-	750.00
Net Cash Provided By/(Used In) Financing Activities (C)	(1,298.74)	(4,647.38)
Net Increase In Cash And Cash Equivalents (A+B+C)	97.94	63.43
Cash And Cash Equivalents At The Begining of The Year	1,016.17	952.74
Cash And Cash Equivalents At The End of The Year	1,114.11	1,016.17
Cash And Cash Equivalents Comprises of :		
1. Cash In Hand	18.19	18.14
2. Fixed Deposit with Bank	598.00	
3. Balances With Scheduled Banks	497.91	998.03
	1,114.11	1,016.17

As per our report of even date annexed herewith

For SRB & Associates
Chartered Accountants
Firm Registration No. 310009E

Biswanath Paul
(Partner)
M. No.068186
UDIN:22068186AJJHGP1963
Date : 14/05/2022
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

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 amortisation.

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.



Audited Financial Statement as on 31st March 2022



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.

2.11 Classification of Portfolio Loans

Loans are classified as follows

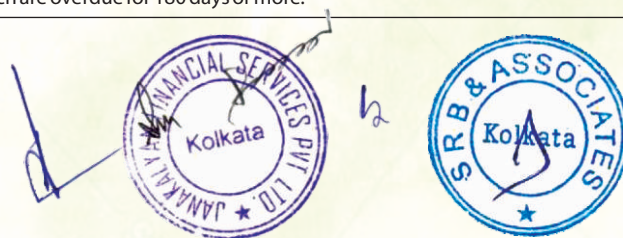
Asset Classification	Period
Standard Assets	Current Loan and arrears upto 90 days
Sub Standard Assets	Arrears from 91 days upto 179 days
Doubtful Assets	Arrears from 180 days and more

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:

Asset Classification	Arrear Period	As Per Reserve Bank of India Guidelines	Provision adopted by the Company for the Year 2021-22	Provision adopted by the Company for the Year 2020-21
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 31st March 2022

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 31st March 2022



Note-3 SHARE CAPITAL

Particulars	₹ in Lakh	₹ in Lakh
	31ST MARCH, 2022	31ST MARCH, 2021
AUTHORISED 5,00,00,000 (P. Y. :5,00,00,000) Equity shares of Rs. 10/- each	5,000.00	5,000.00
	5,000.00	5,000.00
ISSUED, SUBSCRIBED AND PAID UP 2,53,50,863 no (P.Y.2,53,50,863) paid up Equity shares of Rs.10/- each	2,535.09	2,535.09
	2,535.09	2,535.09

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 , 2022		31ST MARCH , 2021	
	No. of shares	% of Holding	No. of shares	% of Holding
Sunanda Kumar Mitra	55,00,000	21.70%	55,00,000	21.70%
Alok Biswas	22,80,898	9.00%	22,80,898	9.00%
Loknath Agarwalla	16,11,509	6.36%	16,11,509	6.36%
Susim Mukul Datta	13,83,819	5.46%	13,83,819	5.46%
SIDBI Trustee Company Ltd -A/c Samridhi Fund	46,75,471	18.44%	46,75,471	18.44%
Sun Tech City Pvt. Ltd	32,05,128	12.64%	32,05,128	12.64%

The reconciliation of number of Equity Shares is set out below

Particulars	31ST MARCH, 2022	31ST MARCH, 2021
Number of Shares at the beginning	253.51	221.46
Add: Issue of Equity Shares during the Year	-	32.05
Number of shares at the end	253.51	253.51

Issue of Sweat Equity Shares

Particulars	31ST MARCH, 2022	31ST MARCH, 2021
Number of Shares at the beginning of the year	20.00	20.00
Add: Issue of Sweat Equity during the year	-	-
Number of Shares at the end of year	20.00	20.00

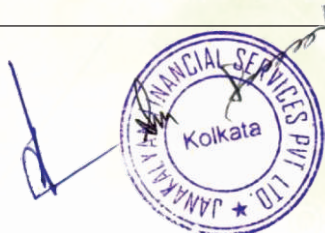
During the year the Company has not allotted any Sweat Equity Shares

Shares Held by the Promoters at the end of the year

Particulars	No of Shares	% of Total Shares	% of change during the year
Sunanda Kumar Mitra	5,500,000	21.70%	-
Alok Biswas	2,280,898	9.00%	-

Note-4

RESERVES & SURPLUS	₹ in Lakh	₹ in Lakh
Particulars	31ST MARCH, 2022	31ST MARCH, 2021
A. Statutory Reserve		
Opening Balance	152.43	143.13
Add: Transfer from Surplus	40.92	9.30
	193.35	152.43
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	970.82	541.34
Add: Premium received during the year	-	429.49
Total Share Premium	970.82	970.82
C. Surplus in Profit and Loss Account.		
Opening Balance	587.08	549.87
Add: Profit for the Period	204.58	46.51
Amount available for appropriation	791.67	596.38
<i>Appropriation :</i>		
Transfer to Statutory Reserve	40.92	9.30
	750.75	587.08
TOTAL (A+B+C)	1,914.92	1,710.34



Audited Financial Statement as on 31st March 2022

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 31.03.2022

Figures (₹ in Lakh)

Sl. No.	Banks / Financial Institutions	Balance as on 01.04.2021	Received during the year	Repaid during the year	Balance as on 31.03.2022	Nature of Security Hypothecation of Book Debts
SECURED LOANS/UNSECURED LOANS						
TERM LOAN FROM BANKS/FINANCIAL INSTITUTIONS						
1	Mas Financial Services Limited	967.71	250.00	1,005.21	212.50	Yes
2	Capital First Ltd	569.45	-	372.61	196.84	Yes
3	Sub-ordinated debt, Mas Financial Services Ltd	300.00	-	-	300.00	-
4	Arohan Financial Services Ltd	358.97	-	358.97	-	Yes
5	Ananya Finance for Inclusive Growth Pvt. Ltd	99.73	-	99.73	-	Yes
6	Muthoot Capital Services Ltd	33.33	-	33.33	-	Yes
7	SIDBI	600.00	-	600.00	-	Yes
8	State Bank of India	2,381.44	2,200.00	1,604.69	2,976.75	Yes
9	Bandhan Bank Ltd	857.14	-	857.14	-	Yes
10	ESAF Small Finance Bank	252.11	-	252.11	-	Yes
11	Union Bank of India TL 1	200.04	500.00	199.80	500.24	Yes
12	UC Inclusive Credit Pvt Ltd	249.91	-	231.63	18.28	Yes
13	Jainsons Finlease Ltd TL 2 Tr 1	253.84	-	253.84	-	Yes
14	Profectus Capital Services Ltd	76.42	-	76.42	-	Yes
15	Electronica Finance Limited	7.41	-	7.41	-	Yes
16	Hinduja Leyland Finance	449.80	-	449.80	-	Yes
17	Annapurna Finance Pvt. Ltd	455.64	-	455.64	-	Yes
18	Maanaveeya Development & Finance Pvt. Ltd	196.50	700.00	196.50	700.00	Yes
19	Incred Financial Services Pvt Ltd TL 2	160.40	-	160.40	-	Yes
20	NABARD	600.00	-	300.00	300.00	Yes
21	Canara Bank	-	1,000.00	-	1,000.00	Yes
22	PNB	-	2,000.00	184.92	1,815.08	Yes
23	Bank of Baroda	-	150.00	16.67	133.33	
	Total	9,069.83	6,800.00	7,716.81	8,153.02	
Less: Current Maturities of long term borrowings disclosed under the head Short Term Borrowings (Please refer note no-6)		7,074.53			4,438.35	
Balance as on 31.03.2022		1,995.30			3,714.67	

NOTE - 6 : SHORT TERM BORROWINGS

Terms of Repayment of Term Loan as on 31.03.2022

Sl. No.	Banks / Financial Institutions	Balance as on 01.04.2021	Received during the year	Repaid during the year	Balance as on 31.03.2022	Nature of Security Hypothecation of Book Debts
SECURED LOANS						
TERM LOAN FROM BANKS/FINANCIAL INSTITUTIONS						
1	Nova Vyapar Private Limited	270.00	275.00	270.00	275.00	Yes
2	Northern Arc Capital Ltd	253.11	-	253.11	-	Yes
3	SIDBI	325.00	-	325.00	-	Yes
4	Usha Financial Services Pvt Ltd	-	300.00	108.83	191.17	Yes
5	Current Maturities of long term borrowings	7,074.53	-	-	4,438.35	Yes
	Total	7,922.64	575.00	956.94	4,904.52	





JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

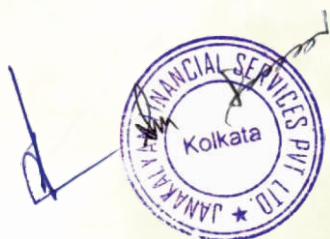
Note-7 Trade payables					
Particulars	31ST MARCH, 2022		31ST MARCH, 2021		
	₹ in Lakh		₹ in Lakh		
Liability for Expenses	13.53		8.93		
Group Insurance Premium	7.45		42.65		
Total	20.98		51.58		
Additional disclosure					
Total outstanding dues of micro enterprises and small enterprises	-		-		
outstanding dues of creditors other than micro enterprises and small enterprises	20.98		51.58		
Total	20.98		51.58		
Ageing schedule of Trade Paybles					
	< 1 year	1-2 years	2-3 Years	More than 3 Years	Total (Rs in Lakh)
a. MSME	-	-	-	-	-
b. Others	20.98	-	-	-	20.98
c. Disputed dues of MSME	-	-	-	-	-
d. Disputed dues -Others	-	-	-	-	-
Sub Total-A	20.98	-	-	-	20.98
e. Unbilled amount	-	-	-	-	-
Sub Total-B	-	-	-	-	-
Total-(A+B)	20.98	-	-	-	20.98
Note-8 Other Current Liabilities					
Particulars	31ST MARCH, 2022		31ST MARCH, 2021		
	₹ in Lakh		₹ in Lakh		
Statutory Liabilities	2.46		14.44		
Interest Accrued but Not due	22.84		39.80		
Payable to Creditors (Lenders)	0.06		32.03		
Total	25.36		86.27		
Note-9 Provisions					
	₹ in Lakh				
Provision for Portfolio Loan Assets :	Non-Current		Current		
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	
Contingent Provision against current and Standard Assets	30.64	31.93	56.58	11.96	
Non Performing Loans	-	-	4.39	100.63	
Provision for Regulatory Framework Portfolio	-	-	55.65	-	
Total	30.64	31.93	116.62	112.60	
Others					
General Provision on Standard Asset but overdue on 29.02.2020. (Covid 19)	-	-	6.35	6.35	
Provision for managed portfolio	-	-	77.37	201.95	
Provision for income tax [net of advance tax aggregating Rs. 29,90,100/-]	-	-	-	-	
Total	30.64	31.93	200.35	320.90	



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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

Note-10 FIXED ASSETS :						
Tangible :						
				Figures in	₹ in Lakh	
Cost or Valuation	Office Equipments	Computer & Software	Furniture & Fixtures and Equipments	Total		
As at 1st April 2021	32.24	47.86	45.78	125.88		
Additions during the period	0.53	2.42	0.66	3.60		
Disposals	0.25	3.43	0.44	4.12		
As at 31st March 2022	32.51	46.86	45.99	125.36		
Depreciation						
As at 1st April 2021	11.31	28.34	12.24	51.89		
Charge For the Period	5.26	6.90	3.38	15.54		
Disposals	0.10	3.34	0.15	3.59		
As at 31st March 2022	16.47	31.90	15.47	63.84		
Net Block as on 31st March 2022	16.04	14.96	30.52	61.53		
Intangible :					Figures (Rs. in Lakh)	₹ in Lakh
Cost or Valuation			Software		Total	
As at 1st April 2021			33.87		33.87	
Additions during the period			5.68		5.68	
Total			39.55		39.55	
Amortisation as on 01.04.2021			13.21		13.21	
Amortisation during the period			7.91		7.91	
Total Amortisation as on 31st March 2022			21.12		21.12	
Net Block as on 31st March 2022			18.42		18.42	
Note-11 Long Term Loans and Advances						
Particulars			31ST MARCH, 2022		31ST MARCH, 2021	
			₹ in Lakh		₹ in Lakh	
Micro Finance Loans			3,064.40		3,192.97	
Term Deposit with banks (kept as lien with the lenders)			1,511.91		1,759.49	
Interest Accrued on Fixed Deposits			136.25		140.30	
Total			4,712.56		5,092.76	
Note-12 Cash and bank balances.						
Particulars	Non-Current portion		Current portion			
	31ST MARCH, 2022	31ST MARCH, 2021	31ST MARCH, 2022	31ST MARCH, 2021		
i Cash and cash equivalents.	₹ in Lakh		₹ in Lakh			
(a) Balances with banks	-	-	497.91	998.03		
(b) Cash on hand	-	-	18.19	18.14		
(c) Fixed Deposit with Banks with maturity less than three months	-	-	598.00	-		
Total-A			1,114.11	1,016.17		
ii. Other Bank balances						
a) Deposit with remaining maturity period of less than twelve months	-	-	15.00	153.39		
b) Deposit with remaining maturity period of more than twelve months	1,511.91	1,759.49	-	-		
Total-B	1,511.91	1,759.49	15.00	153.39		
iii. Less: Amount disclosed under non-current assets (refer note-11)	1,511.91	1,759.49	-	-		
Total -i+ii-iii	-	-	1,129.11	1,169.56		



Audited Financial Statement as on 31st March 2022



JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

Note-13 Short Term Loans and Advances :

Particulars	31ST MARCH, 2022	31ST MARCH, 2021
	₹ in Lakh	₹ in Lakh
Micro Finance Loans		
Opening Balance	15,298.12	23,926.05
Add : Loan Disbursed	8,736.95	8,488.05
Sub-Total	24,035.07	32,414.10
Less : Realised	10,399.95	15,884.14
Less : Securitized portfolios Outstanding	60.86	86.54
Less : Bad debt Written off	187.63	386.18
Less : BC Loan Outstanding	3,868.61	5,341.80
Less : Receivable from BC	356.00	845.67
	9,162.01	9,869.79
(i) Microfinance Loan (Unsecured and considered good)	9,162.01	9,869.79
Less : Transferred to Long Term Loans and Advances	3,064.41	3,192.97
Short Term Micro Loans	6,097.61	6,676.82
(ii) Advance Income Tax	39.07	25.95
(ii) Loans & Advance to Staffs	23.49	30.18
Total	6,160.17	6,732.95

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.39.29 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, 2022	31ST MARCH, 2021
	₹ in Lakh	₹ in Lakh
Security Deposit	27.48	202.51
Interest accrued on Fixed Deposit	0.65	17.79
Interest accrued on Portfolio Loan	312.63	168.84
Trade Receivables*	834.79	1,047.93
MRR Receivable	41.12	53.86
Commission Receivable from Principals	35.02	64.84
Insurance Claim Receivable	11.35	10.70
Total	1,263.04	1,566.48

* Trade receivables includes Rs.3.56 Crore paid to Mas Financial Services Limited and Rs.3.66 Crore paid to Utkarsh SFB (Principal) on behalf of micro finance borrower covered under Business corespondent module of operation.

Note-15 Revenue from operations

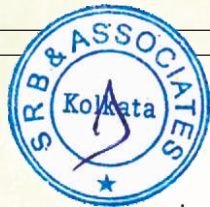
Particulars	31ST MARCH, 2022	31ST MARCH, 2021
	₹ in Lakh	₹ in Lakh
Interest on Loan. (Refer Note (i) below)	1,996.73	3,128.29
Loan Processing Fees	63.89	60.31
Total	2,060.62	3,188.60
Particulars	31ST MARCH, 2022	31ST MARCH, 2021
	₹ in Lakh	₹ in Lakh
i) Interest on Loan comprises:		
a) Interest on Micro Finance Loan	1,996.73	3,128.29
Total	1,996.73	3,128.29

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

Note-16 Other Income

Particulars	31ST MARCH, 2022	31ST MARCH, 2021
	₹ in Lakh	₹ in Lakh
Interest on Fixed Deposit	125.24	112.35
Dividend on Mutual Fund	11.38	7.07
Commission received as Business Corespondent	347.06	519.89
Profit on sale of Loan Portfolio	-	1.84
Bad debt written off recovered	61.22	-
Miscellaneous Income	5.70	0.71
Total	550.59	641.85

Audited Financial Statement as on 31st March 2022



JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

Note-17 Employee benefit expenses		
Particulars	31ST MARCH, 2022	31ST MARCH, 2021
	₹ in Lakh	₹ in Lakh
Salaries & Wages ,etc.	672.89	727.28
Provident Fund and ESI	57.15	59.02
Bonus and Exgratia	26.99	29.70
Gratuity	4.27	11.21
Employee Health and Insurance Premium	7.65	5.99
Total	768.95	833.20
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, 2022	31ST MARCH, 2021
	₹ in Lakh	₹ in Lakh
Interest on Borrowings	978.46	1,965.92
Loan Processing Fees	94.20	50.45
Stamp Charges	1.22	0.50
Inspection and Loan review Charge	7.72	-
Total	1,081.60	2,016.87
Note-19 Other expenses		
Particulars	31ST MARCH, 2022	31ST MARCH, 2021
	₹ in Lakh	₹ in Lakh
Audit fee	2.00	2.00
Telephone & Internet	15.90	23.22
Bank Charges	13.86	12.12
Electricity Expenses	5.96	5.56
ROC Fees	0.59	15.41
Professional Fees	51.47	47.41
Office Rent	64.59	62.19
Printing & Stationery expenses	9.57	9.72
Travelling & Conveyance	102.29	61.69
Office Expenses	20.27	22.59
Training Expenses	9.56	17.65
Rates and Taxes	3.56	1.03
Staff Welfare	62.96	21.03
Directors Sitting Fees	4.30	4.30
Insurance	1.06	9.65
Repair & Maintenance	0.39	0.23
Goods and Services Tax	20.17	16.89
IT related Charges	15.02	10.98
Membership Fees	5.12	6.17
Consultancy Charges	9.07	10.48
Sundry Receivables written off	18.03	-
Donation to PM Cares Fund	-	5.00
Loss on sale of Fixed Assets	0.52	-
Donation to NGO under CSR -Note 34(X)	4.70	-
Total	440.97	365.32



Audited Financial Statement as on 31st March 2022



JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

Note-20	Particulars	31ST MARCH, 2022	31ST MARCH, 2021
		₹ in Lakh	₹ in Lakh
	Provision for Loan Loss on Portfolio Loan	(52.91)	(11.67)
	Provision against Standard assets as on 29.02.2020 (Please refer Note 22) against which moratorium granted due to COVID-19.	-	3.18
	Provision for Regulatory Framework Portfolio	55.65	-
	Provision for Loss on managed Portfolio	(124.58)	118.89
	Portfolio loan written-off - On book	187.63	100.05
	Managed portfolio loans written off	-	286.13
	Total	65.79	496.57

Note-21 Classification of Portfolio Loan on age basis

Particulars	Estimated Provisions Adopted	As at 31st March, 2022		As at 31st March, 2021	
		Principal (₹ in Lakh)	Provision Amount (₹ in Lakh)	Principal (₹ in Lakh)	Provision Amount (₹ in Lakh)
Current	0.40% to 1%	9,131.13	87.01	8,917.35	35.67
Up to 90 days	0.40% to 1%	22.10	0.22	822.49	8.22
91 to 179 days	50%	8.78	4.39	58.62	29.31
180 days or more	100%	-	-	71.32	71.32
		9,162.01	91.62	9,869.79	144.53
	*Subject to 1% Whichever is Higher	9,162.01	91.62	9,869.79	98.70

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 (₹ in Lakh)	Provision Amount (₹ in Lakh)	Provision Amount (₹ in Lakh)	Total Provision (10%) (₹ in Lakh)
		31st March 2020	30th June 2020	
Principal outstanding of all standard but overdue accounts (DPD 1 to 89 days)	63.52	3.18	3.18	6.35
Total	63.52	3.18	3.18	6.35

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

Additional Disclosure

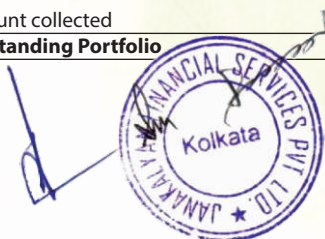
According to RBI Circular No. RBI/2020-21/16. DOR.No.BP.BC/3/21.04.048/2020-21 dated May 5, 2021 on Resolution Framework for COVID-19 Related Stress: Classification and Provisioning, a general provisions of 10 per cent shall be computed for all standard but overdue not more than 30 days accounts on 01.03.2020 for which moratorium has been granted.

Type of Borrower	Number of accounts where resolution plan has been implemented under this window	exposure to accounts mentioned at (A) before implementation of the plan (Rs in Lakh)	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan (Rs. in Lakh)
Personal Loans	65,040	7,117.88	-	-	55.65
Corporate Personsof which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	65,040	7,117.88	-	-	55.65

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, 2022	31ST MARCH, 2021
	₹ in Lakh	₹ in Lakh
Opening Balance	86.54	242.03
Portfolio assigned	-	-
Total	86.54	242.03
Amount collected	25.68	155.49
Outstanding Portfolio	60.86	86.54



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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

Note-24	Loan Portfolio managed as a Business Correspondent.				
	During the Period, the Company has engaged as a business corespondent of MAS Financial Services Ltd ,Utkarsh Small Finance Bank and IDBI Bank Limited. Details are as given below.				
	Particulars	31ST MARCH, 2022	31ST MARCH, 2021		
		₹ in Lakh	₹ in Lakh		
	Opening Balance	5,341.80	8,064.47		
	Amount disbursed	2,450.10	2,646.85		
	Total	7,791.90	10,711.31		
	Amount collected	3,923.29	5,369.52		
	Outstanding Portfolio	3,868.61	5,341.80		
Note-25	Income as Business Correspondent				
	Particulars	31ST MARCH, 2022	31ST MARCH, 2021		
		₹ in Lakh	₹ in Lakh		
	Commission Received from MAS Financial Services Ltd	68.66	257.95		
	Commission Received from Utkarsh Small Finance Bank Ltd	277.58	259.89		
	Commission Received from IDBI Bank Ltd	0.82	2.05		
		347.06	519.89		
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	31.03.2022		31.03.2021	
		Transaction Value	Outstanding	Transaction Value	Outstanding
		(₹ in Lakh)	(₹ in Lakh)	(₹ in Lakh)	(₹ in Lakh)
	i) Alok Biswas				
	Remuneration	29.06	-	39.00	-
	Sweat Equity Shares	-	-	-	-
	ii) Sunanda Kumar Mitra				
	Remuneration	27.50	-	34.50	-
	Sweat Equity Shares	-	-	-	-
	iii) Chief Financial Officer and Company Secretary				
	Remuneration	26.59	-	29.86	-
Note-27	Segment Reporting				
	The company operates in a single reportable segment i.e. lending in Microfinance 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, 2022	31ST MARCH, 2021		
		₹ in Lakh	₹ in Lakh		
	Net Profit After Tax	204.58	46.51		
	Weighted Average Number of Shares	253.51	224.62		
	Earning per share (Basic/Diluted)	0.81	0.21		
	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, 2022	31ST MARCH, 2021		
	CRAR	47.33%	42.42%		
	CRAR- Tier I Capital	45.46%	40.04%		
	CRAR-Tier II Capital	1.86%	2.38%		

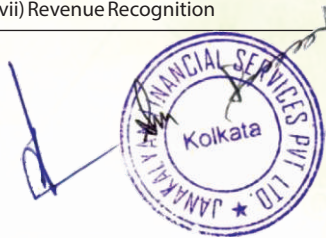
Audited Financial Statement as on 31st March 2022



JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

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 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		The company has not entered into any derivative transactions in the current and previous years.			
4. Disclosure relating to Scuritisation NBFC from the SPV. i) Information duly certified by the SPV'S Auditors obtained by the originating ii) Details of financial assets sold to scuritisation/Reconstruction company for asset reconstruction. iii) Details of Assignment transactions undertaken by NBFCs		The Company has not assigned/securitised any loan portfolio but there is an outstanding balance of Rs.0.61 Crore 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.			
5. Details of non performing financial assets purchased /Sold i) Details of non performing financial assets purchased : ii) Details of non performing financial assets sold:		The Company has not purchased/sold any non performing financial assets.			
6. Assets Liability Managements Maturity pattern of certain items of assets and liabilities.Details as on 31st March 2022.		₹ in Lakh			
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 upto 1 year
Deposits	0.00	0.00	0.00	0.00	0.00
Advances	5.77	5.97	5.88	16.99	27.41
Investments	0.00	0.00	0.00	0.00	0.00
Borrowings	3.47	3.47	3.62	14.52	21.02
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	29.60	0.00	0.00	91.62	
Investments	0.00	0.00	0.00	0.00	
Borrowings	40.09	0.00	0.00	86.19	
Note: The Company does not have any foreign currency Assets or Liabilities.					
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		Single borrower limit (SGL)/ Group Borrower Limit (GBL) has not exceeded by the Company.Portfolio Loan of Rs. 9162.01 Lakh			
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		Ministry of Corporate affairs No Penalties Imposed by the RBI and other regulators during the Current year and Previous Year. Refer Note No-26. BBB-(ACUITE Ratings dated 04.04.2022) Refer Note No-26. Nil Refer Note No-2.07.			



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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

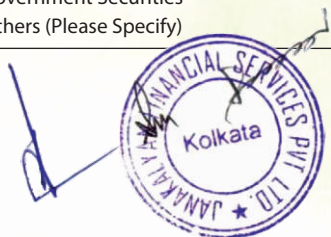
10. Additional Disclosures i) Provisions and contingencies ii) Draw Down from Reserves iii) Concentration of Deposits, Advances, Exposures and NPAs a) Concentration of deposit (for Deposit taking NBFCs) b) Concentration of Advances c) Concentration of Exposure d) Concentration of NPAs iv) Overseas Assets (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, 2022	31ST MARCH, 2021	
	₹ in Lakh	₹ in Lakh	
Provision for Income Tax	29.90	47.61	
Provision for Gratuity	4.27	11.21	
Provision towards NPA	4.39	100.63	
Provision for Standard Assets	87.23	43.89	
Note. 31B			
Concentration of Advances			
Particulars	31ST MARCH, 2022	31ST MARCH, 2021	
	₹ in Lakh	₹ in Lakh	
Total Advances to twenty Largest borrowers	8.00	8.00	
Percentage of total Advances to twenty Largest borrowers to total advance of the NBFC	0.09%	0.08%	
Note. 31C			
Concentration of Exposures			
Particulars	31ST MARCH, 2022	31ST MARCH, 2021	
	₹ in Lakh	₹ in Lakh	
Total Advances to twenty Largest borrowers	8.00	8.00	
Percentage of total Advances to twenty Largest borrowers to total advance of the NBFC	0.09%	0.08%	
Note. 31D			
Concentration of NPA'S			
Particulars	31ST MARCH, 2022	31ST MARCH, 2021	
	₹ in Lakh	₹ in Lakh	
Total Exposure to top four NPA accounts	1.20	1.10	
Note 32	Average rate of Interest, cost of borrowing and Margin		
Particulars	31ST MARCH, 2022	31ST MARCH, 2021	
	₹ in Lakh	₹ in Lakh	
Average Interest (a)	21.70%	21.89%	
Average cost of borrowing (b)	12.74%	13.98%	
Margin(a-b)	8.96%	7.91%	
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
		₹ in Lakh	₹ in Lakh
1	Loans and advances availed by the NBFCs inclusive of		
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	8,619.19	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

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2 Break-up of (1)(f) above (Outstanding public deposits Inclusive of interest accrued thereon but not paid) :	Amount Outstanding ₹ in Lakh	Amount Overdue ₹ in Lakh
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 Lakh	Amount Overdue ₹ in Lakh
a. Secured		
b. Unsecured (see schedule)	9,162.01	9,162.01
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	Nil	Nil
a. Financial lease	Nil	Nil
b. Operating lease	Nil	Nil
II Stock on hire including hire charges under Sundry Debtors	Nil	Nil
a. Assets on hire	Nil	Nil
b. Repossessed Assets	Nil	Nil
III Hypothecation Loans counting towards EL/HP activities	Nil	Nil
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	Nil	Nil
(b) Preference	Nil	Nil
II Debentures and Bonds	Nil	Nil
III Units of mutual funds	Nil	Nil
IV Government Securities	Nil	Nil
V Others (Please Specify)	Nil	Nil
2 Un-Quoted Shares		
I Shares : (a) Equity	Nil	Nil
(b) Preference	Nil	Nil
II Debentures and Bonds	Nil	Nil
III Units of mutual funds	Nil	Nil
IV Government Securities	Nil	Nil
V Others (Please Specify)	Nil	Nil
Long Term Investments :		
1 Quoted Shares		
I Shares : (a) Equity	Nil	Nil
(b) Preference	Nil	Nil
II Debentures and Bonds	Nil	Nil
III Units of mutual funds	Nil	Nil
IV Government Securities	Nil	Nil
V Others (Please Specify)	Nil	Nil
2 Un-Quoted Shares		
I Shares : (a) Equity	Nil	Nil
(b) Preference	Nil	Nil
II Debentures and Bonds	Nil	Nil
III Units of mutual funds	Nil	Nil
IV Government Securities	Nil	Nil
V Others (Please Specify)	Nil	Nil



Audited Financial Statement as on 31st March 2022

JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

6 Borrower group-wise classification of all leased assets, stock on hire and Loans and advances :			
Category	Amount net of provisions		
	Secured (₹ in Lakh)	Unsecured(₹ in Lakh)	Total (₹ in Lakh)
1 Related Parties **			
a. Subsidiaries	Nil	Nil	Nil
b. Companies in the same group	Nil	Nil	Nil
c. Other related parties	Nil	Nil	Nil
2 Other than related parties	Nil	9,162.01	9,162.01
7 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)	
1 Related Parties	Nil	Nil	
a. Subsidiaries	Nil	Nil	
b. Companies in the same group	Nil	Nil	
c. Other related parties	Nil	Nil	
2 Other than related parties	Nil	Nil	
Total	Nil	Nil	
**As per Accounting Standard of ICAI			
	₹ in Lakh	₹ in Lakh	
8 Other Information :			
Particulars			
I Gross Non-performing Assets			
a. Related parties	Nil	Nil	
b. Other than related parties	8.78	8.78	
II Net Non-performing Assets			
a. Related parties	Nil	Nil	
b. Other than related parties	Nil	Nil	
III Assets acquired in satisfaction of debt			
Note-34 Additional Disclosure			
According Ministry of Corporate Affairs (MCA) had introduced changes in Schedule III to the Companies Act, 2013 vide its notification G.S.R. 207(E) dated 24th March, 2021, the following disclosures are given.			
i Diversion of funds borrowed from banks and financial institutions			
During the year the Company has not diverted any borrowings from banks and financial institutions and have deployed the same for the specific purpose for which they were availed.			
ii Realisable value of assets			
The Company is engaged in Micro Finance activities. Hence recoverability of the assets are assessed periodically. Kindly refer note 21.			
iii Immovable properties not held in the name of company.			
The Company does not have Immovable properties for the reporting period			
iv Revaluation of Property, Plant and Equipment and intangible assets.			
The management revalues its Property, Plant and Equipment and intangible assets on periodic interval.			
v Loans or Advances granted to Promoters, Directors, KMPs and Related Parties			
During the period the Company has not granted any Loans or Advances to Promoters, Directors, KMPs and Related Parties.			
vi Relationship with struck off companies			
The Company does not have any relationship with struck off Companies.			
vii Pending filing of charges			
The Company does not have any pending filing of charges.			
viii Compliance with number of layers of investments			
The Company has complied with number of layers of investments.			



Audited Financial Statement as on 31st March 2022



JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

ix	Ratio Analysis	Numerator	Denominator	March 31st 2022	March 31st 2021
a	Current Ratio	Total Current Assets	Total Current Liabilities	1.66	1.13
b	Debt Equity Ratio	Debt Consisting of borrowings	Total Equities	1.94	2.34
c	DSCR Ratio	PBDIT+Loan Installment Collected	Principal+Interest to Lenders	0.86	0.95
d	Return on Equity Ratio	Profit after Tax	Average Equity Share Capital	4.71%	1.20%
e	Inventory turnover Ratio	N.A.	N.A.	N.A.	N.A.
f	Trade Receivables turnover Ratio	N.A.	N.A.	N.A.	N.A.
g	Trade Payable turnover Ratio	N.A.	N.A.	N.A.	N.A.
h	Net Capital Turnover Ratio	Revenue from operations	Average working Capital	N.A.	N.A.
l	Net Profit Ratio	Profit for the Year	Revenue from operations	9.93%	1.46%
j	Return on Capital Employed	EBIT	Capital Employed	10.04%	14.90%
k	Return on Investment	N.A.	N.A.	N.A.	N.A.

x Corporate Social Responsibility

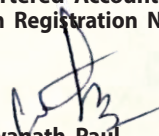
During the period the Company was liable to expend ₹4,70 Lakh towards Corporate Social Responsibility. The said amounts are being expended in the following project through an NGO.

Nature of Expenditure	Place of Expenditure	Name of NGO	Amount (₹ in Lakh)
Education of Underprivileged Children	Duttapulia, West Bengal	Sreema Mahila Samity	4.70

Note-35 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
Chartered Accountants
Firm Registration No. 310009E


Biswanath Paul
(Partner)
M. No.068186
UDIN:22068186AJJHGP1963
Date : 14/05/2022
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

Audited Financial Statement as on 31st March 2022



JANAKALYAN

JANAKALYAN FINANCIAL SERVICES

CIN : U74999WB2016PTC216823

Registered & Head Office
CD 193, Sector 1, Salt Lake City, Kolkata
Website: www.janakalyan.net



Janakalyan Financial Services Pvt Ltd.

Regd: 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