



ANNUAL REPORT 2019 - 2020



Janakalyan Financial Services Pvt Ltd.

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

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

Email : info@janakalyan.net

Website : www.janakalyan.net

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

Jagdishpally, Kolkata - 700 074

www.janakalyan.net





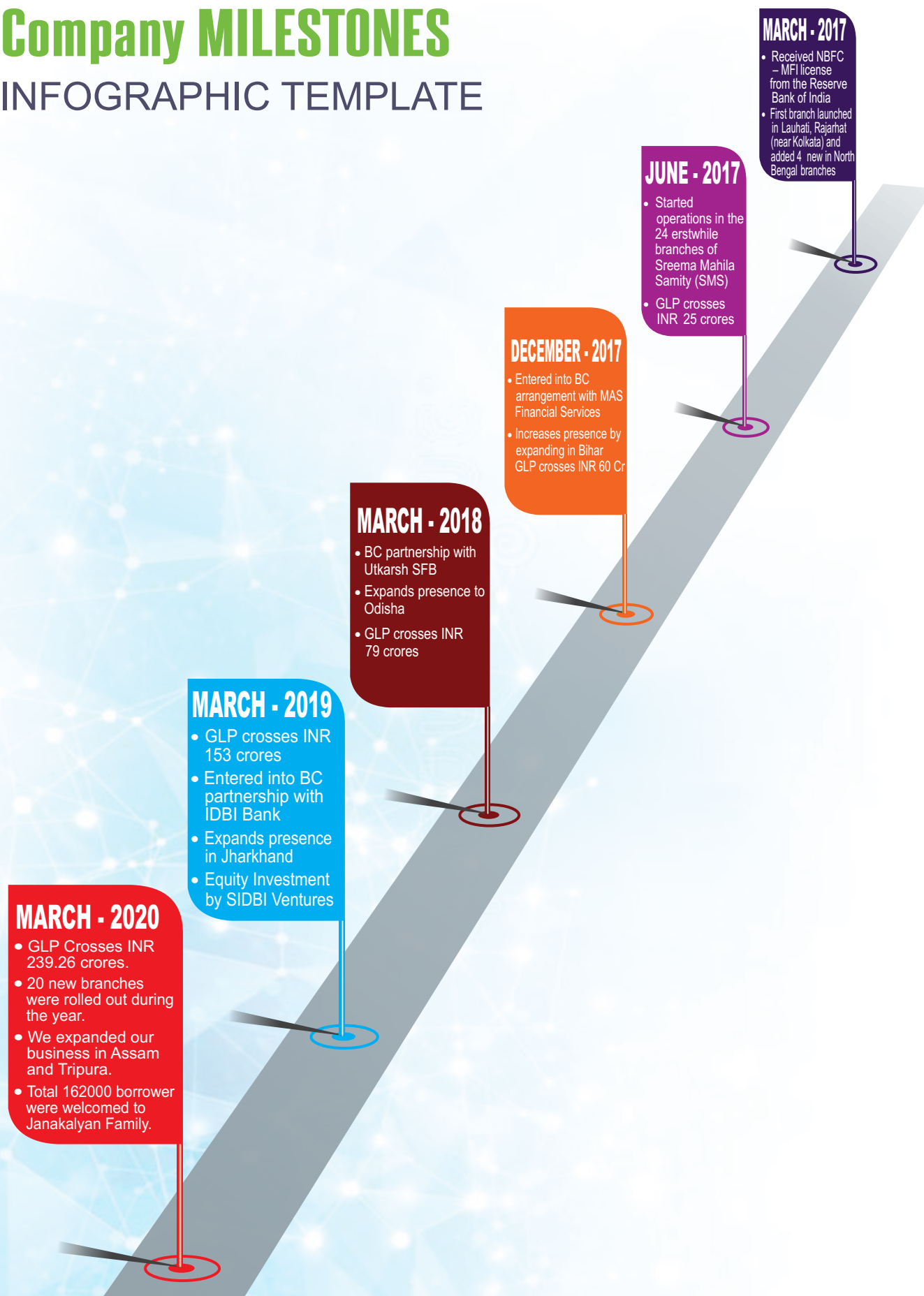
table of contents

Company Milestones	02
Vision & Mission	03
From the Desk of Chairman	04
From the Desk of Managing Director	06
Corporate Information	08
Branch Network	09
Partners & Industry Associations	10
Financial Highlights	11
Board of Directors	12
Senior Management Profile	15
Management Discussion and Analysis	18
Directors Report	27
Form No. MGT - 9	39
Independent Auditor's Report & Financials	45



Company MILESTONES

INFOGRAPHIC TEMPLATE



Our MISSION

“To improve 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.”

Our VISION

“To build a world class financial institution committed to economic upliftment of the under privileged through financial inclusion.”

Core VALUES

- Accountability
- Commitment
- Customer centricity
- Ethics & Empathy
- Professionalism
- Transparency and Team Work



From the Desk of CHAIRMAN

Dear Shareholders,

On behalf of the Board of Directors and all staff members of Janakalyan Financial Services Pvt Ltd, I extend a warm welcome to you to the 4th AGM of your Company, to share our performance and achievements during the last financial year. Despite the dark shadows of Covid-19 pandemic which clouded the closing weeks of the last FY (and which continues to impact our operations), we closed the year 2019/20 with much improved operational and financial performance vis-à-vis the previous year. I am pleased to inform you that your Company's aggregate business during the year went up by 56.7% to Rs 239.3 Cr with significant improvement in profitability to Rs 6.01 Cr, (up from Rs 0.90 Cr) as also in related matrices such as Net Worth (Rs 34.49 Cr), RoE (17.68%) and RoA (3.31%) indicative of a much improved financial

health despite a surge of overdue (0.89%) due to the adverse impact of natural calamities such as cyclone Fani in Odisha and floods in North Bihar, North Bengal and Assam which adversely impacted our eco-system.

As in the past, we continued our network expansion strategy during the year by adding 20 new Branches by extending our operation to Assam and Tripura, raising the count of State coverage to six. Correspondingly, number of active borrowers has gone up from 88000 to 162000 within the year comprising poor and self-employed women in the rural and semi-urban hinterlands. These borrowers are served by 458 employees through our network of 75 Branches and 16 Clusters, to help them improve their standard of living for a better future. At all times, it

is ensured that the prescribed code of responsible lending and code of conduct are adhered to both in letter and spirit as enshrined in our Vision and Mission statements in an ethical and transparent manner which is honed into the corporate culture of your Company.

The growing book-size and improved profitability and productivity have been duly reflected in the Credit Rating of your Company with an improved rating of BBB- (Triple B minus) indicative of stable financial conditions, up from the earlier BB rating. This has enabled your Company to access funds from major lenders on improved terms. However, we shall continue our endeavour to secure yet better credit ratings in future. I am happy to inform you that with the availability of credit on better terms, we have been able to bring down our interest rate by over 1% during the last one year providing some financial relief to our borrowers. This has also helped us to remain more competitive in comparison to some of our peers as a better borrowing option.

The global economic slowdown has also adversely impacted economic growth in India and has dampened the investment climate. As such, we could not raise any fresh equity during the year. However, through a Rights issue, your company allotted 19,14,170 number of equity shares of Rs 10 each with a premium of Rs.9.50 per share which helped to shore up our net worth and sustain our growth while ensuring a health capital adequacy position.

As mentioned earlier, Covid-19 which hit our country in March 2020 has shaken up our economy with a series of nation-wide lockdowns followed by more localized shutdowns. Our migrant population in the bottom of the pyramid has been worst affected due to the pandemic, seriously crippling their livelihoods at urban locations. Although the national economy has started reviving with the easing of the shutdowns, it would take several months for the micro borrowers across the country in resuming their normal cycles of business as prevailing prior to the virus outbreak. This has seriously affected the micro lending landscape in rural India. Therefore, alongwith business growth, our priority during the current year shall be to maintain necessary liquidity to remain viable, meet essential expenses and most important, to fulfil our own repayment obligations on time. As such, our business growth

during this year is likely to remain relatively muted which may also impact the various business parameters. However, Microfinance business has faced several major challenges in the last ten years and every time has managed to re-emerge stronger. Team Janakalyan is confident of withstanding this shock by sprucing up our systems and procedure and putting in place risk mitigation tools such as digital collection process etc to make it both secured and cost effective.

Before concluding, I would like to share with you the initiatives taken by your company towards social welfare and women empowerment. Through partnership with Sreema Mahila Samiti, a Nadia based NGO with a long and well-established track record, we have been closely associated with environmental protection activities, conducting healthcare camps, learning centres for school drop-outs and securing the lives of orphans and specially girl children. We have also been directly involved with setting up training facilities for rural women in tailoring and to become beauticians, thus creating job opportunities for them. We are proud to share with you that apart from lending exclusively to women borrowers, 25% of our staff members are also women.

I take this opportunity to express our heartfelt gratitude to all the stake-holders and specially our BC Partners and Lenders for their unflinching support and encouragement. Our special thanks are due to our Board of distinguished professionals for devoting their valuable time to guide us in building an institution and practices that all of us can be proud of. I wish to conclude by complimenting our young and energetic teams at the field level and our experienced colleagues at Head Office for contributing their best to make Janakalyan an outstanding Company. Thanks once again.

Warm Regards,

S K Mitra
Chairman, Board of Directors



From the Desk of MANAGING DIRECTOR

Dear Shareholders,

It is my honour and privilege to take you through the highlights of Janakalyan's performance for FY 2019-20. During this financial year we have added 20 more branches thereby extending our reach to the States of Assam and Tripura and taking the network to 75 branches spread over 6 States.

We have achieved Gross AUM of Rs. 239.26 Cr. in 2019-20 in comparison to Rs. 152.71 Cr. in 2018-19, thus recording a growth of Rs. 86.55 Cr. i.e. 56.68% approx. on a year -on-year basis in spite of the pandemic situation towards end of the Financial Year.

The challenges during the year were many but they have only emboldened us to handle greater challenges in the years to come. We have stuck to our fundamentals, brought more efficiency in all our operations, diversified our sources of funds and funding strategy and evolved our services around the needs of our customers.

Behind all our initiatives, ensuring the wellbeing

of our customers has always remained pivotal. We continue to grow with a vision to create a positive impact on the lives of rural poor and low-income households. Our new initiatives like solar finance, education finance etc. are examples of our customer-centricity. Many of our customers who started as tiny businesses with the support of our group lending products now aspire to reach greater heights. We are thankful to Utkarsh Small Finance Bank, IDBI Bank and MAS Financial Services Limited for partnering and helping us to become their Business Correspondent.

Contribution from Utkarsh Small Finance Bank has helped us to enhance our AUM significantly and we value the relationship between the two institutions.

The greater part of the Financial Year 2019-20 contributed to a steady growth of our business with the exception of the last few weeks in March owing to COVID-19 outbreak. Transformation of the microfinance landscape has been significant with mainstream Universal Banks entering this

space through acquisitions, mergers and through BC model while a good number of NBFC-MFIs have graduated to Small Finance Banks. SFBs have started diversifying into retail lending segment but still continuing with the larger share in MFI lending. The financial needs of our customer segment in the rural geographies continue to be underserved with most Banks, SFBs and even many MFIs concentrating in only urban and semi urban areas. The MFI segment is expected to grow between 25%-35% over the next few years driven by better penetration and larger loan sizes over the current average of Rs. 20,000 per borrower. The support of investors and lenders has returned after a brief lull, post demonetization. Our company continues to focus on maintaining profitability, growing our BC portfolio and maintaining exceptional partnership with Utkarsh Small Finance Bank and other Financial Institutions. We will continue our growth in the new geography and ensure that we remain customer oriented through the efficient utilisation of our two most important skills, experience and knowledge. The help and continuous support of all the stake holders played a vital role in achieving our goals and we hope that this patronage is carried forward in the future. The financial inclusion landscape of India in which our business operates, projects a total of 8% adults to have borrowed from a formal licensed institution out of total 42.4% of total borrowers. Only 8.2% adults have used a formal channel for remittance; a mere 15% of the rural population have life insurance cover and 18.9% of the total rural population receive any pension; over 38.5% of the total bank accounts are inactive while more than 80% of the total population have bank accounts. Only 33.6% of adults have saved money in their life of which only 11.2% are able to plan out their post retirement requirements. (Source: Global FINDEX data from the World Bank 2018 & NABARD Financial Inclusion Survey 2017). Thus, the above projected numbers, in a country like India with a population of 1.4 billion, provides a fair indication about the extent of scope that the financial institutions presently have and we are striving to leverage this potential.

Janakalyan's Board of Directors continues to be a constant source of guidance for us, while keenly overseeing the corporate governance. We are delighted to have Mr. Asok Kumar Das, former Managing Director of West Bengal Infrastructure Development Finance Corporation and former Deputy Managing Director of State Bank of India joining us as an Independent Director. Janakalyan's Board effectively plays the key role in guiding the management and charting out the future path for the organisation in an exciting and

conducive external environment. In spite of the pandemic situation, 2019-20 has been a great year for us in terms of profitability and expansion of our organisation. Our portfolio has grown to Rs. 239.26 Cr. and expanded our reach to 6 States in India. We have managed to achieve Rs. 40.91 Cr in Revenue from Operation along with Rs. 6.02 Cr PAT.

We are headed confidently towards the next year despite the current tumultuous climate, thanks to the unflinching support of our investors and the board of directors which gives us the confidence that we will succeed in achieving our objective.

Our key focus for the year 2020-21 is to manage the challenges posed by the pandemic and to overcome the temporary disruption in the operations. This is a testing time for all of us and we believe that we will overcome all the obstacles and explore the avenues of raising capital which will help us in our growth. We would like to thank all our customers for their business relationship with us and we also recognize their remarkable contributions. The happy faces of our clients inspired us to reach out and bring about changes in their lives.

I am resolutely committed to the future of Janakalyan as a growing concern and also to every stakeholder to the best of my ability, to grow the business and to enthuse, re-energise, rejuvenate and foster our employees with the aim to build Janakalyan as a reliable brand to associate with.

I would like to thank all the employees and their family members and every one of you and convey my deepest appreciation for the positivity and the hard work you have put in during these hard times and standing by Janakalyan at this crucial stage of global pandemic

This gives me an opportunity to thank our 458 employees for their hard work and dedication throughout the year, our stakeholders for their confidence in us and continued trust and support, our lenders for their sustained backing, our esteemed board of directors for their guidance, the Reserve Bank of India for their progressive policies towards the sector and all our partners for their support all through.

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

Warm Regards

Alok Biswas
Managing Director

Corporate INFORMATION

Board of Directors

Mr. Sunanda Kumar Mitra
Promoter, Whole Time Director

Mr. Alok Biswas
Promoter, Managing Director

Ms. Bani Saraswati
Non-executive, Independent Director

Mr. Atanu Sen
Non-executive, Independent Director

Mr. Asok Kumar Das
Non-executive, Independent Director

Ms. Dhara Jitendra Mehta
Nominee Director

Other Senior Management

Mr. Sukumar Biswas
Vice President – Operations

Mr. Chandramouli Sarkar
Vice President- Finance

Mr. Monoranjan Roy
Vice President & Head-Accounts

Mr. Rajarshi Banerjee
Assistant Vice President-Finance & Accounts

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

Dr Swapan K Sinha
Head-Training & Development

Mr. Amal Kumar Mapa
Head – Internal Inspection

Mr. Abhijit Sarkar
Zonal Head – Bihar and North East

Mr. Debesh Gon
Zonal Head- Duttapulia zone

Mr. Palash Saha
Zonal Head- Central Zone

Chief Financial Officer

Mr. Arup Kumar Dutta

Company Secretary & Compliance Officer

Ms. Shivani Agarwal

Address for Correspondence

Janakalyan Financial Services Private Limited
(Formerly : Janakalyan Consultancy & Services Private Limited)
Registered Office : 183/A, Sahid Hemanta Kumar Bose Sarani, Kolkata - 700074
Head Office : CD-193, 1st Floor, Sector - 1, Salt Lake City, Kolkata - 700064
Tel. No: 033 2337 0123
Email : cs@janakalyan.net
Website : www.janakalyan.net

Auditors

M/s. SRB & Associates
A-37, Gillanders House, 8, N. S. Road, Kolkata - 700 001

Secretarial Auditor

M/s Prateek Kohli & Associates
50, Weston Street, 1ST Floor, Room No. 105 Kolkata – 700012

Corporate Identity Number

U74999WB2016PTC216823

Reserve Bank of India, Registration No.

N-05.07035 dated 2nd March 2017

Branch NETWORK

West Bengal (36)



Bihar (22)



Assam (2)



Odisha (8)



Jharkhand (5)



Tripura (2)



Partners & Industry ASSOCIATIONS

Financial HIGHLIGHTS



* Without Processing Fee

Board of DIRECTORS

Sunanda Kumar Mitra

Promoter, Wholetime Director

Mr. S. K. Mitra is a Promoter and Whole-time Director 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 including assignments in Branch Banking, Retail Banking, SME and Large Corporate Credit. Subsequently, he joined UTI Bank (Axis Bank) and served in various roles as, Zonal Head, Eastern Zone, President and National Head (Rural Banking and Financial Inclusion), President and National Head (Distribution and Retail Banking).

Post retirement from Axis Bank, Mr Mitra joined Bandhan Bank as Business Head to participate 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. He has been trained at State Bank Staff College, Hyderabad, MDI, Gurgaon, INSEAD, Paris, IIM, Ahmedabad and NIBM, Pune.

Alok Biswas

Promoter, Managing Director

Mr. Alok Biswas is the other Promoter & Managing Director of the Company.

Mr. Alok Biswas is a leader with strategic vision and experience of over 27 years in business management and operation management in the BFSI industry, especially in NBFC-MFI domain. He has been closely involved with sustainable development, micro entrepreneurship programmes, educational support etc. to improve the quality of life in rural India.

He started his career with Canara Bank (1989-1993) and worked in rural credit in remote villages of West Bengal. Subsequently, he joined Indian Bank as Probationary Officer in June 1993 and worked there till 2001 to join UTI Bank/Axis Bank. Worked in all areas of banking, like Credit, Forex, Liabilities, Operation, Compliance, etc., including Corporate Credit. His last assignment in Axis Bank was that as the Vice President & Cluster Head, in charge of the States of Odisha, Chhattisgarh and Jharkhand.

He subsequently moved into the microfinance sector and set up Jagaran Microfin Private Limited in 2010, where he was the Founding Managing Director. He steered the growth of the company for five years and thereafter quit in order to promote Janakalyan Financial Services Private Ltd.

He is a Commerce Honours graduate, holds a Post-Graduate Diploma in Management (PGDM) from Xavier Institute of Management, Bhubaneswar and has qualified in the Associate examination of the Indian Institute of Bankers (CAIIB). In addition, he has completed Diploma in Microfinance from IIBF, Mumbai.

Bani Saraswati

Independent Director

Ms Bani Saraswati is a social leader, transformer with experience of over 42 years in social activities as well as microfinance activities. She has been closely involved with sustainable development, micro finance programmes, women empowerment, educational support etc. to improve the quality of life in rural West Bengal, especially in Nadia District.



She is the main architect and Secretary of Sreema Mahila Samity (SMS) an NGO based in Duttapulia, established in 1972. SMS has intervened in areas of income generation (micro finance) health, education, strengthening SHG, special support to women and children in distress, disaster risk reduction on the part of community and PRI, family counseling etc. Through these activities SMS endeavors to sensitize people particularly women about their rights and raise their voices and articulate their demand.

SMS started the journey of Community Development & Women Empowerment in 1972 from Baranberia, a remote village of Nadia district, West Bengal, it has now reached to the districts of Murshidabad, Birbhum, Malda and North 24 Parganas.

She is an Arts graduate (Honours) and holds a Basic Training (B.T.) in Education.

Atanu Sen

Independent Director

Mr. Atanu Sen served State Bank of India for a period of 37 years from where he retired in 2014 as MD & CEO of SBI Life Insurance. He had earlier served as the Bank's DMD and Chief Credit and Risk Officer and as Chief General Manager of Mumbai Circle. Mr. Sen has wide-ranging experience in commercial banking and finance including Credit and Risk Management, Infrastructure financing, International Banking and Banking Operations and Administration.



After Superannuation, Mr. Sen was engaged as a Sr. Advisor in Deloitte Touche Tohmatsu LLP. He also served in the Board of the few other Companies/Bank as an Independent Director/ Non-Official Director. Currently, he is the Chairman of the trustee Board of the National Pension Scheme of the Pension Fund Regulatory and Development Authority of India.

Mr. Sen has attended executive training in leading Institutes across the world like the Wharton University of Pennsylvania, Asian Institute of Management, Manila and BPP London. He is a postgraduate in Economics from Calcutta University, and a qualified CAIIB.

Asok Kumar Das

Independent Director

Mr. Asok Kumar Das has been a career banker and amongst the positions held by him during his long illustrious career are that of Deputy Managing Director, State Bank of India; Managing Director, State Bank of Patiala and Executive Director, SBI European Bank, London.



Post superannuation from SBI, he held the positions of Director of Institutional Finance, Government of West Bengal and Ex-Officio Special Secretary (Finance), Government of West Bengal and Managing Director of West Bengal Infrastructure Development Finance Corporation Ltd. (WBIDFC).

Mr. Asok Kumar Das is a postgraduate in Economics from Calcutta University, stood First Class Second and also qualified CAIIB.

Dhara Jitendra Mehta

Nominee Director

Ms. Dhara Jitendra Mehta is the Nominee Director on behalf of SIDBI Venture Capital Ltd. SIDBI Trustee Company Ltd-A/C Samridhi Fund is the investor of JFSPL.



She is a Senior Investment Associate in SIDBI Venture Capital Limited and has experience of more than seven years in managing Venture Capital Fund. She has previously worked in KPMG India Private and in Deloitte Haskins & Sells.

She is a qualified Chartered Accountant, LLB, M. Com.

Senior Management PROFILE

Arup Kumar Dutta

Chief Financial Officer



Mr. Dutta has 27 years of experience in the financial sector. He graduated with Honours in Economics, standing First Class First, and was awarded the National Scholarship. He subsequently post-graduated in Public Administration and later earned PGDBM (IISWBM, Kolkata), PGCHRM (XLRI, Jamshedpur, Gold Medallist), and JAIIB (IIB&F, Mumbai).

Shivani Agarwal

Company Secretary & Compliance Officer



Ms. Agarwal is a B. Com graduate (Hons.) – Accounts and is a Member of the Institute of Company Secretaries of India. She has more than 5 years of experience in the field of Secretarial & Legal Compliances and Corporate Governance.

Sukumar Biswas

Vice President – Head Operations



Mr. Biswas has work experience in the microfinance sector for more than 28 years. He has adequate management experience to execute different programs in the areas of education, self-help group promotion, primary health care, disaster management, vocational training, water & sanitation, social welfare. He is an M. Com in Accounting.

Chandramouli Sarkar

Vice President (Head Finance)



Mr. Sarkar is an alumnus of Presidency College, Kolkata and Indian Institute of Management, Calcutta. He has more than 30 years of banking experience. He writes articles on Finance, Technology and Cosmology in leading journals and is attached to Gerson Lehrman Group (GLG) as a consulting member for Banking and Finance





Monoranjan Roy

Vice President & Head (Accounts)

Mr. Roy was a Central Banker and former Assistant General Manager of Reserve Bank of India. He has worked with Reserve Bank of India for more than three decades, he has earned his Master's in Commerce (First Class) from Calcutta University, and he is also an Associate Member of the Institute of Costs and Works Accounts of India (AICWA). He is a Certified Associate of Indian Institute of Bankers (CAIIB) from the Indian Institute of Banking and Finance.



Amal Kumar Mapa

Head – Internal Inspection

Mr. Mapa holds a post-graduate degree in Agricultural Science from Kalyani University. Joined as an officer in the United Bank of India and served there for 30 years. He has also associated himself in the social sector as an advisor to Sreema Mahila Samity and worked there for 17 years.



Rajarshi Banerjee

Assistant Vice President (Finance & Accounts)

Mr. Banerjee is a qualified Chartered Accountant (2017) and has graduated with B. Com (Hons.) – Accounts & Finance from Calcutta University. He worked as an Associate Trainee with Magma Group for nearly two years.



Abhijit Sarkar

Zonal Head – Bihar and North East

Mr. Sarkar has more than one decade of experience as Regional Manager and has worked in Jagaran Microfin Private Limited as Area Manager and Senior Inspection Officer. He is an Honours graduate from Kalyani University, West Bengal.



Utpal Bose

Vice President (HR, Admin & IT)

Mr. Bose has 35 years of experience in Commercial Banking. He has in-depth domain knowledge in branch banking, Retail/ MSME lending and regulatory compliances as also industrial relations. He is a Science graduate from Calcutta University.



Debesh Gon

Zonal Head- Duttapulia zone

Mr. Gon has 16 years of experience in microfinance acquired during stints with Sreema Mahila Samity (NGO with microfinance activity). He is a Science Graduate and has also completed M.S.W. (Master of Social Works).



Swapan K Sinha

Head-Training & Development

Dr. Sinha has earned his doctorate in Sociology from Calcutta University worked in RBI & NABARD for over three decades. He has a vast knowledge of the microfinance industry and extensive experience of training various stakeholders in the sector.



Palash Saha

Zonal Head- Central Zone

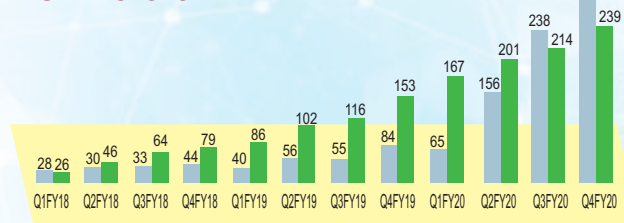
Mr. Saha has 10 years of experience in microfinance acquired during stints with Sreema Mahila Samity. He has completed Post Graduate Degree in Arts. He holds profound knowledge of microfinance operation.

Management Discussion and ANALYSIS

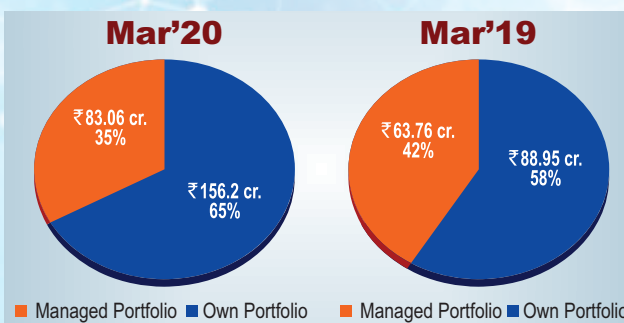
1. INTRODUCTION

1.1 Janakalyan successfully completed its third year of operation as on 31st March, 2020. During the year, the Company disbursed an amount of ₹333 crore loan through 1.29 lakh loan accounts. Business for the month of March'20 was partially disrupted due to the national lockdown imposed due to the COVID-19 pandemic. The loan amount disbursed grew by 42% over the previous year. As a result, the Gross Loan Portfolio (GLP) grew to ₹239 crore, translating into a year-on-year growth of 56% over previous March GLP of ₹153 crore. The Company opened 20 new branches, taking the total network size to 75 branches spread over six States and 22 Districts. The quarter on quarter growth of loan disbursed and GLP is depicted in the graph below :

Rs. in crore



1.2 The GLP consists of own as well as managed portfolio. Janakalyan's Business Correspondent (BC) portfolio grew to ₹80.64 crore from ₹63.76 crore last year. The major partners were Utkarsh Small Finance Bank and MAS Financial Services contributing to 53% and 46% respectively of the outstanding BC portfolio. The company also entered into a securitisation transaction amounting to ₹6.67 crore with ICICI Bank during the year. The share of own portfolio grew to 65% during the year from 58% last year.



1.3 While the total number of loan accounts outstanding at the end of the year grew to 1.40 lakh (FY19: 0.90 lakh), the number of members grew by 86% to 1.62 lakh from 0.87 lakh in the previous year.

1.4 Despite the overall liquidity constraints affecting the NBFC sector; particularly, the small and medium sized NBFC-MFIs, the company has been able to raise adequate resources through term loans and asset securitisation to fund its growth. The availability of resources helped the Company in leveraging the significant demand-supply gap for micro-credit that exists in the market.

2. MICROFINANCE INDUSTRY OVERVIEW

As per the statistics released by Microfinance Institutions Network (MFIN), as on 31st March, 2020 :

2.1 During FY20, microfinance industry in India showed consistent, regionally-balanced and resilient growth. The entire microfinance industry has a total loan portfolio of ₹2,31,788 crore, (for loans originated after February 2017) and 10.54 crore active loans accounts as on 31 March 2020. The aggregate gross loan portfolio (GLP) of NBFC-MFIs stood at ₹74,371 crore, which represents a YoY growth of 31% as compared to 31 March 2019. A total of 3.22 crore clients have a loan outstanding from NBFC-MFIs, which shows an increase of 19% over 31 March 2019.

2.2 NBFC-MFIs disbursed a total loan amount of ₹77,072 crore over 2.78 crore accounts during FY20. The average loan amount disbursed per account was ₹27,754, which is an increase of around 6% in comparison to loans disbursed during FY19. In terms of regional distribution of portfolio (GLP), East and North East accounted for 34% of the total NBFC-MFI portfolio, South 27%, North 13%, West 15% & Central, 11%. Five top states in terms of loan amount outstanding are Bihar, Karnataka, Tamil Nadu, Maharashtra and Odisha. They

account for 49% of GLP and top 10 states account for 79% of the total loan amount outstanding.

2.3 Portfolio at Risk (PAR)>30 days as on 31 March 2020 stood at 2.46%, which has weakened from 1.64% as on 31 March 2019. PAR>90 days also rose to 1.61% from 1.08% (FY19).

2.4 Despite the liquidity squeeze that all NBFCs faced, NBFC-MFIs received a total of ₹42,150 crore in debt funding (from Banks and other Financial Institutions). This represents a growth of 33% compared to FY19. Large MFIs continued to source majority of their debt from banks (77%) while Medium and Small sized MFIs continue to source majority of their debt funding from Other FIs. The total equity of the industry stood at ₹16,140 crore, which is 28% of the net owned portfolio. At an aggregated industry level, domestic equity is 45% of total equity.

2.5 At an industry level, average cost of funds for FY20 stood at 14.6% and Median Cost of funds at 15.1%. Overall spread of cost of funds ranged from 9.8% to 18.1%. For, Large MFIs, the range is between 9.8% to 15.9%; for Medium MFIs, range is between 13.3% to 18.1% and for Small MFIs, range is between 13.0% to 17.1%.

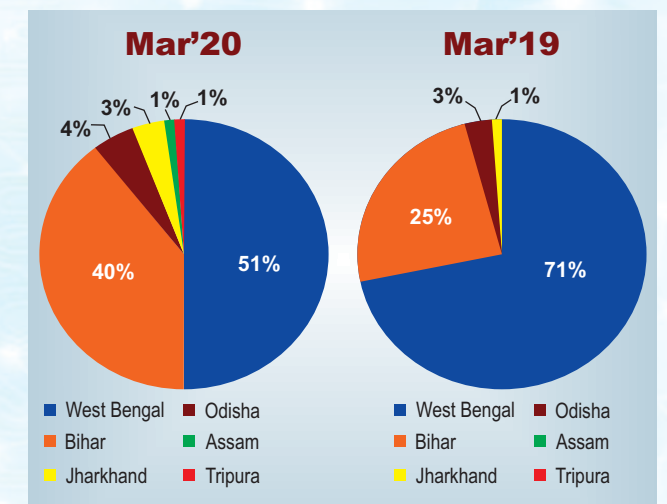
2.6 NBFC-MFIs employed around 1.16 lakh staff as on 31 March 2020. This is an increase of 25% from around 0.93 lakh staff as on 31 March 2019. Around 94% of the staff are based at the branch level while the remaining are at MFI Head Offices.

3 OPERATIONS

3.1 During the year, the Company commenced its operations in Assam and Tripura, taking the total number of States covered to six. The 20 new branches opened were spread across the four existing States (16) and two new States (4). The State-wise distribution of branches are as under :

State	No. of Branches As on 31/03/2019	New Branches during FY20	No. of Branches As on 31/03/2020
West Bengal	33	3	36
Bihar	15	7	22
Jharkhand	2	3	5
Odisha	5	3	8
Assam	-	2	2
Tripura	-	2	2
Total	55	20	75

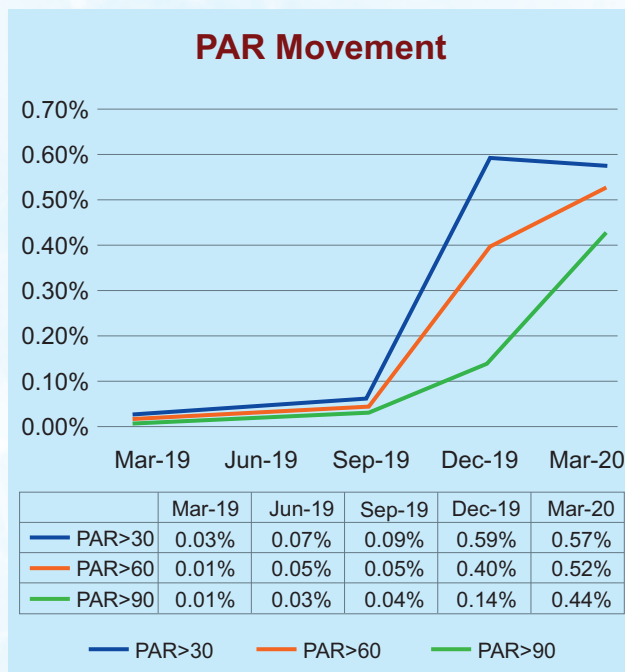
3.2 With the opening of new branches across all States and gradual maturing of recently opened branches in States like Odisha, Jharkhand and Bihar, the portfolio concentration in West Bengal reduced considerably from 71% to 51% during the year. The change in State-wise distribution of GLP is depicted below :



3.3 A total of 10 branches (13% of the total branches) closed the year with GLP greater than ₹5 crore, 43 branches (58%) with GLP in the range of ₹2 crore - ₹5 crore and 22 (29%) branches with GLP less than ₹2 crore.

3.4 The portfolio quality came under stress due to FANI super cyclone that hit Odisha during May'19 and the disruptions caused due to protests against the CAA and NRC Bills during the months of Oct-Nov.'19. The FANI cyclone affected four of the branches in Odisha, where collections got severely impacted due to large scale devastation and consequent loss of income for the

borrowers. The Company decided to reschedule the loans in accordance with the decision taken by industry body, OSAFII and also provided special loans to the affected borrowers. Later in the year, seven branches in the districts of Nadia and Murshidabad were also impacted due to the protests against CAA and NRC Bills. Although collections were adversely affected for a few weeks, the overdues were eventually brought under control. The quarter -on-quarter movement of PAR (total GLP) is depicted as below :



3.5 Branch productivity also witnessed a growth during the year with loan outstanding per branch increasing from ₹2.78 crore to ₹3.19 crore as on 31st March, 2020. Also, the Borrowers per Field Officer (FO) has improved to 488 from 461 the year before.

3.6 The Company regularly benchmarks its productivity metrics with that of the NBFC-MFI industry universe as well as that of the peer group of MFIs (GLP : ₹100 crore - ₹500 crore). Despite a much shorter legacy, Janakalyan's employee productivity metrics have been managed to remain above the peer average.

Metrics	All MFIs	Medium MFIs	Janakalyan
	(54)	(20)	(GLP Rs. 100-500 crore)
Loan Accounts	24%	36%	56%
GLP	31%	49%	56%
No. of Loans Disbursed During the Year	16%	24%	35%
Loan Amount Disbursed During the Year	23%	39%	42%
Avg. Loan Amount Outstanding Per Account	6%	9%	1%
Avg. Loan Amount Disbursed Per Account	6%	14%	5%
Avg. Client Per Loan Officer	-8%	-27%	6%
Avg. GLP Per Loan Officer	1%	-19%	8%
Avg. Client Per Branch	-3%	-18%	13%
Avg. GLP Per Branch	7%	-9%	15%

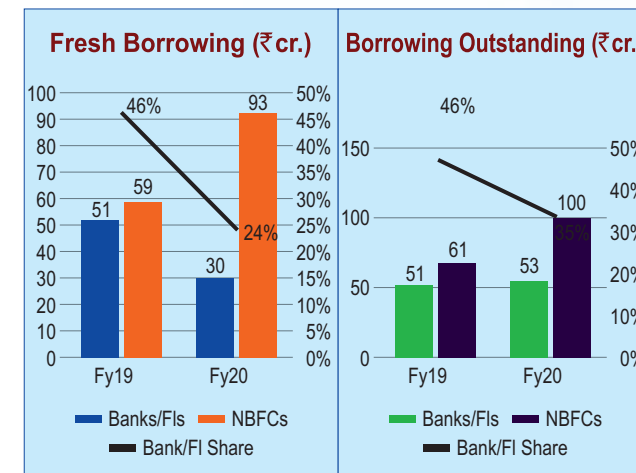
3.6 The Company has been relentless in its focus on rationalizing operating expenses through improvements in operating efficiency and employee productivity. As a result, Operating Expenses Ratio (OER) declined to 5.78% as on 31st March, 2020 from 7.76% the year before.

4. FINANCIAL RESULTS

4.1 The financial results of the Company as on 31st March, 2020 were fairly encouraging. The Company recorded a Profit before Tax (PBT) of ₹8.49 crore and Profit after Tax (PAT) of ₹6.02 crore as on 31st March, 2020. The PAT grew 6.69X over the previous FY. The Net worth of the Company grew by ₹9.75 crore amounting to ₹34.49 crore as on 31st March, 2020. During the year, fresh equity was infused to the tune of ₹3.73 crore through a Rights Issue. The key financial metrics are given below :

Sl. No.	Key Financial Metrics	Mar-20 (Audited)	Mar-19 (Audited)	Change YoY
1	Total Assets (₹ in cr.)	195.22	140.73	39%
2	Net worth (₹ in cr.)	34.49	24.74	39%
3	Borrowings Outstanding (₹ in cr.)	153.15	112.73	36%
4	Revenue from Operations (₹ in cr.)	32.09	19.32	66%
5	Total Income (₹ in cr.)	40.91	23.27	76%
6	Operating Cost (₹ in cr.)	11.35	8.66	31%
7	Finance Cost (₹ in cr.)	19.31	12.89	50%
8	Net Interest Income (₹ in cr.)	11.58	6.71	73%
9	PBT (₹ in cr.)	8.49	1.38	514%
10	Tax (₹ in cr.)	2.47	0.48	416%
11	PAT (₹ in cr.)	6.02	0.90	566%
12	D/E (Borrowing Outstanding/Networth)	4.44	4.56	-0.12
13	ROA (PAT/Avg. Total Assets)	3.31%	0.80%	2.51%
14	ROE (PAT/Avg. Networth)	17.68%	4.88%	12.80%
15	OSS (Total Income/Total Expenditure)	126.19%	106.30%	19.89%
16	GNPA	0.68%	0.01%	0.67%
17	NNPA	0.28%	0.00%	0.28%

4.2 During the year, the Company raised fresh debt to the tune of ₹122.58 crore from banks and NBFCs in order to fund its growing asset book. Besides, a securitisation deal of ₹6.67 crore was also concluded with ICICI Bank during the year. Due to the overhang of the NBFC crisis, obtaining fresh sanctions from banks proved to be difficult as they were not comfortable with lending to the MFIs. Most banks preferred to fund their existing clients (to the extent of available limit) than onboard fresh clients in the NBFC-MFI space. Private sector banks in particular preferred pooled structures with necessary credit enhancements to be provided by the arranger. Also, many banks raised the threshold of rating required for fresh sanctions to BBB+ and above. The resultant change in the borrowing mix is depicted as below :



During the year, six new NBFCs and two new banks were added to the list of lenders.

4.3 The Rate of Interest (ROI) charged by the Company to its JLG borrowers was reduced from 25.16% p.a. (valid for the period: Apr.'19 - Sep.'19) to 24.90% p.a. (valid for the period: Oct.'19 - Mar.'20) as a result of declining average base lending rates of top five banks (RBI pricing based on this) as well as average cost of borrowing for the Company. While the average cost of borrowing as on 31st March, 2020 stood at 15.10% p.a. (FY19: 15.58% p.a.), the margin stood at 9.80% (FY19: 9.58%). The margin was within the RBI stipulated margin cap of 10%.

4.4 The Company continues to be adequately capitalized, though it will need to raise equity on a regular basis to fund its future business growth. As on 31st March, 2020,

the Capital to Risk Adjusted Assets (CRAR) was at a healthy 23.25% against the regulatory requirement of 15%. While the Tier I Capital stood at 20.90%, Tier II Capital was at 2.34%.

5 RATING & GRADING

5.1 During the year, the Company's long-term rating has been upgraded to BBB- (Outlook: Stable) by M/s Acuite Ratings & Research Ltd (erstwhile SMERA Ratings Ltd.). The rating revision is in view of improvement in the Company's operating performance; experienced management, supported by institutional investors, significant scaling up of operations while maintaining asset quality and the Company's ability to raise fresh capital from institutional investors and existing shareholders.

5.2 The Company has also been graded as 'MFI 3+' (MFI Three plus) by M/s CARE Ratings, which is the fourth level on an eight-point scale. The grading is an one-time assessment of a Micro Finance Institution's operational and financial capability to undertake and sustain the targeted level of operations. CARE evaluates an MFI under a four-point framework (TOSS Framework). The four points are: - i) Transparency, ii) Operational setup, iii) Scale of operations and iv) Sustainability. The Company's rating on the four points are as under :

Framework	Rating
Transparency	High
Operational Setup	Strong
Scale of Operations	Small
Sustainability	Above Average

The grading is expected to improve once the scale of operations widens over the years.

5.3 During the year, M/s SMERA Ratings conducted Code of Conduct Assessment (COCA) for the period of April 2019 - March 2020 and assigned the Company "C3" as its Code of Conduct Assessment grade, which signifies average performance on COCA dimensions (Third on a Five Point Rating Scale). The Code of Conduct report evaluates the entity's adherence to nine code of conduct parameters or dimensions.

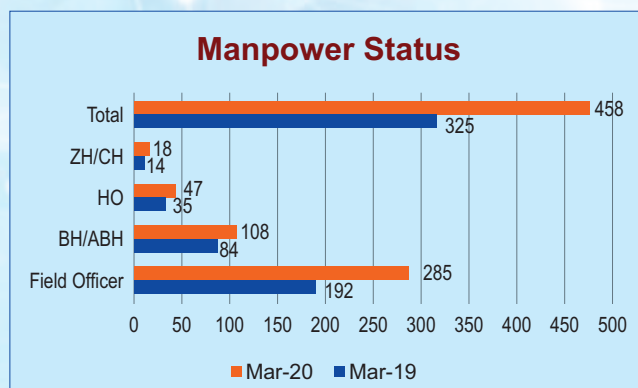
While conducting the evaluation, the Approval; Documentation; Dissemination and Observance (ADDO) framework has been used for assessment and measuring. The scores obtained by the Company on each of the dimensions are as under:

Code of Conduct Dimensions	Code	COCA Score Assigned by SMERSA
Sensitive Indicators	SEN	94%
Integrity and Ethical Behaviour	IEB	89%
Transparency	TRP	86%
Client Protection	CLP	93%
Governance	GOV	90%
Recruitment	REC	92%
Client Education	CLE	79%
Feedback & Grievance Redressal	FGR	78%
Data Sharing	DSR	96%

6 HUMAN RESOURCES

6.1 The Company lays special emphasis on building its human capital through proper and timely recruitment of employees, and thereafter managing the entire employee life-cycle as per the laid down HR policy. All the newly joined employees in the role of Field Officer are introduced to Induction Training to make them familiar with the Company and the job role. The older employees are provided Refresher Trainings at periodic intervals. The senior employees were trained on Leadership Development, Corporate Governance and Soft Skills.

6.2 The Company's total staff strength rose by 41% during the year to reach 458 as on 31st March, 2020. The bulk of the growth has been in the cadre of Field Officers (FOs), which grew by 48% during the year.



Fos constitute 62% of the total staff, which is a rise of 3% over FY19. The percentage of female employees declined to 24.45% from 31.69% in the previous year.

6.3 The Company Felicitated the top performing BHs/CHs/ZHs under “Mission 200 crore AUM” through an R&R event hosted at an offsite location. This followed a day long Strategy Meet on the “Way Forward.” Besides, several employee engagement activities like Picnics, Annual Sports, Cultural Programmes, etc. were organized throughout the year in order to motivate the staff and foster team work

6.4 The Company attaches a lot of importance in providing training to its employees. Regular induction as well as refresher trainings have been provided throughout the year to different categories of employees. Trainings were conducted by both 'in-house' trainers as well as external faculty members.

7 RISK MANAGEMENT

7.1 The Company has a Board approved Risk Management Policy. The Board periodically reviews the risks faced by the Company and its systems and procedures in order to manage the same. The company has developed Key Risk Indicators (KRIs) with regard to 20 critical parameters, categorized under Operational, Credit, Liquidity/ALM, Interest Rate and Compliance Risk areas. The Risk Management Committee (RMC), meets every month to review 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.

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

7.3 Operational risk arises from human or system related error during product delivery and services. The transactions are handled by large number of employees spreading over branches. This risk is a function of internal controls, information

systems, employee integrity and operating processes. In order to mitigate these risks, the Company regularly reviews the efficacy and effectiveness of the multi-layered checks and controls that are in place over key client interface processes. The controlling hierarchy in the field is explicitly tasked to ensure the observance of all processes without any deviation. To minimize the incidence of cash handling, all disbursements are invariably made to clients' bank account directly through NEFT. The Company's Internal Inspection Department undertakes multi-layered inspection checks like pre-disbursement check, loan utilization check and branch inspection for a duration of two/three days every cycle.

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

7.5 The ALM Risk is mitigated by ensuring matched funding without any adverse mismatch in structural liquidity. As on 31st March, 2020, the Company has positive mismatches for periods up to a year. 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. As per extant RBI guidelines, there should be cumulative positive mismatches up to one-year bucket and not negative mismatches more than 15% up to 30/31 days. The company's structural liquidity position is in conformity with the RBI guidelines.

7.6 The Company has adopted a conservative policy related to financial gearing with Debt/Equity ratio standing at 4.44 as on 31st March, 2020. It has marginally reduced from 4.56 last FY.

7.7 The Company follows a prudent provisioning policy which is even more rigorous than the regulatory norms applicable to MFIs. As on 31st March, 2020, the Company provided for 1% of the

outstanding loan portfolio (own book) in accordance with the extant RBI Notification. Further, in accordance with the 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, the Company has additionally provided for 5% of principal outstanding of all standard but overdue accounts (DPD 1 to 89 days) as on 29.02.2020. Another 5% will be provided as on 30th June, 2020.

In addition to the above provisions, the Company has made prudent provision of 1% of “off-balance sheet” loan portfolio (consisting of BC and securitized portfolio) as on 31st March, 2020.

8 INSPECTION

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

- AA (Efficiently Run)
- A (Well Run)
- BB (Satisfactorily Run)
- B (Not-satisfactorily Run)

The LUC ascertains the end use of fund for the purpose it was lent. The PDC assesses whether or not the loan that is sanctioned is done in adherence with the industry code of conduct, promoting responsible lending and making the borrower aware of major terms and conditions of sanction.

8.2 During the year under review a total of 72 branches were inspected. Of these, 20 branches were graded as AA, 38 branches graded as A and 14 branches graded as BB. The weightages of the different indicators were modified during the year to give enhanced weightage to business metrics. This has resulted in a lower percentage of branches being graded as AA.

Grade	Mar-20	Mar-19
	No. of Branches (% of Total)	No. of Branches (% of Total)
AA	20 (28%)	20 (44%)
A	38 (53%)	25 (54%)
BB	14 (19%)	1 (2%)
B	-	-
Total	72	46

Decline in the percentage of Branches under AA category during the year was due to introduction of more stringent parameters which factored the growth of business as a parameter apart from elaborate assessment on the code of conduct.

9 INFORMATION TECHNOLOGY

9.1 The Company has progressively leveraged technology to automate various processes and thereby put in place effective control mechanisms. This has led to enhanced employee productivity, greater efficiency, lower cost of transaction and timely MIS.

9.2 Network security is an important area of concern in today's environment. The same has been enhanced with the setting up of firewalls, which will be critical in blocking malicious traffic like viruses and hackers emanating from external sources.

9.3 Work continued towards the improvisation of current systems in BIJLI software that would enable the use of mobile/tablet platform for branch operations like sourcing of applications, Credit Bureau Check, Mobile Check, Collection process, CGT, GRT etc.

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

- Loan Origination System through mobile apps.
- Loan Management System - after loan is disbursed through NEFT, unique loan account number, loan cycle number and repayment schedule (EMI) are automatically generated. The daily collection (EMI) is posted through mobile application.
- API Integration - API integration has been successfully done with credit bureau "Equifax."
- Various forms/documents like the Loan Sanction Letter, Loan Application Form (LAF), DP Note, KYC documents, Bank Book etc., can be downloaded from the operating system and printed for use.
- Integration of various modules with the operating software, such as:

- Internal Audit Technology/Software
- Inventory Management
- Death Case Settlement
- User Role Based Access
- SMS Integration
- Biometric Attendance
- Mobile call Tracking
- BC Loan Management

9.5 Janakalyan has adopted a traditional approach and has focused most resources on the most crucial system components and protect against the biggest known threats. Some basic techniques used for the company's application security are:

- Input parameter validation;
- User/Role Authentication & Authorization;
- Session management, parameter manipulation & exception management; and
- Auditing and logging.

Information security protects information from unauthorized access to avoid identity theft and to protect privacy. Major techniques used to cover this is

Identification, authentication & authorization of the user and Cryptography.

9.6 Janakalyan will implement its BCP policy. In this policy, the first stage will be to ensure the safety of all personnel and the security of the organisation's assets. A crisis management team will be formed who will be responsible for their team members and the process and criteria for conducting an impact analysis and to initiate recovery process for restoring the lost data.

9.7 Backup is taken in a two-way process in Janakalyan for the Operational software. For the other two HR and Accounting, Janakalyan has a one-way process. The two ways back up process for the Operation Software Bijli is done by Force Ten, one in on-site and the other off-site on a weekly basis. For the other two software, the backup is usually done as the onsite process on weekly basis.

10 SOCIAL WELFARE INITIATIVES

10.1 Janakalyan continued to demonstrate its commitment to social welfare initiatives and interventions within its area of operation. These programmes were focused on Economic empowerment & poverty eradication, Financial inclusion & literacy, Health and nutrition, Borrower leadership and Environmental awareness. The purpose of these programmes was to bring in value addition through knowledge.

10.2 During the year, the Company conducted 51 "Awareness Camps" related to financial literacy at different centers within its area of operation. Financial literacy programmes were also conducted under the aegis of Micro-Finance Institution Network (MFIN) and Odisha State Association of Financial inclusion institutions (OSAFI), Odisha. Financial literacy involves financial awareness, knowledge, skills, attitude and behaviour to make sound financial decisions as also the opening of bank accounts. Similarly, Leadership Development Programmes were conducted in various centres for the benefit of the members.

10.3 The company regularly conducts awareness programme on various

government sponsored social security programmes (*Samajik Suraksha prokalpo*) and takes the initiative to enlist the members under different government social security schemes.

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

10.5 The Company provides skill development trainings to local women who are interested in and have the entrepreneurship skills to start their own small businesses. These women are provided with the requisite skills for managing their livelihood, linking up with markets, enhancing their credit absorption capacity and credit worthiness, etc. Trainings are provided for the development of skills like, Tailoring and Beautician courses. Under the tailoring and beautician programmes, more than 200 women were covered. The training unit was at Karnojora, Uttar Dinajpur. After Karnojora, the second tailoring and beautician course was started in Kaliaganj from February 2020.

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

11 OUTLOOK AND CHALLENGES

In the wake of COVID-19 pandemic and the resultant disruption, the overall economy of the country has been impacted significantly.

All the key indicators like GDP growth, IIP, employment generation, etc., are likely to be adversely impacted for the better part of this fiscal. The microfinance industry, which is an integral part of the larger ecosystem of financial intermediation will primarily face challenges on Solvency, Business Continuity and Liquidity concerns. Lockdowns and observance of social distancing norms are expected to be the “New Normal” for some time to come, thereby making it difficult to conduct Group Meetings. While disbursements are made online, collections for most MFIs, including Janakalyan are made through cash, collected physically by the Field Officers during the Group Meetings. Consequently, we apprehend that collection efficiency levels are likely to be less than normal till Q3FY21.

NBFC-MFIs, particularly the small and medium sized ones are likely to face liquidity crunch due to lower collections as well as declining liquidity support from banks and other lenders. Due to the prevailing uncertainty, the lenders are unwilling to commit fresh funds till a degree of normalcy returns with regards to disbursements and collections in the field. Targeted liquidity support measures announced by GoI/RBI are, however, expected to ease down the liquidity concerns to a certain extent. Secondly, despite the gradual lowering of interest rates by RBI (Repo rate declined from 6.25% as on 29/03/2019 to 4.40% on 27/03/2020), the transmission of the same by the banks to the smaller and medium sized NBFC-MFIs have not happened. Given the restriction on margin cap, it is therefore, imperative for the Company to keep its operating expenses in control. In order to achieve the same, the Company has steadfastly focused on improving efficiency of operations and productivity of the employees.

The asset quality, notwithstanding the two moratoriums announced by RBI is expected to be a cause for concern for the MFIs due to its possible adverse effect on the disciplined culture of timely repayment before availing the next cycle of loan. The credit cost is therefore expected to rise in the industry, necessitating higher provisioning. This will impact the profitability to a great extent.

In view of the above challenges, the Company would plan for a moderate growth in disbursement and GLP during FY21.


Concerted efforts will be in place to raise the collection efficiency to normal levels at the earliest. Digital collection modes like Aadhaar Pay, BBPS, etc. will be piloted in select branches and thereafter rolled out to all branches during the year. All discretionary capex will be postponed to the extent feasible till normalcy returns. The Company will meanwhile stay focused on ensuring positive cash flows as well as positive ALM mismatch (Liability tenor is greater than the Asset tenor). Efforts will be on to diversify the existing lender base.

We fully believe that notwithstanding the adverse situation created due to COVID-19 pandemic, the Company is well positioned to effectively address the present and future challenges. Looking ahead, we are certain that the need for intermediation and financial inclusion at the grass root level will continue to be a strong felt-need, particularly in the “Low Income” regions including rural hinterland across the country. The Company is structurally and strategically poised to leverage these opportunities and will continue to pursue a sustainable, predictable and profitable business model that will generate steady returns to all the stakeholders.

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
 Wholetime Director
 DIN : 03521074


Alok Biswas
 Managing Director
 DIN : 03141650

Directors REPORT

Dear Members,

Your Board of Directors (the “Board”) takes pleasure in presenting the Fourth Annual Report of Janakalyan Financial Services Private Limited (Formerly: Janakalyan Consultancy & Services Private Limited) together with the audited statement of accounts of the Company for the financial year ended 31st March, 2020.

FINANCIAL RESULTS

Particulars	31 st March, 2020 (in Rs.)	31st March, 2019 (in Rs.)
Total Revenue	40,90,52,038	23,27,08,564
Less: Total Expenses	32,41,27,752	21,89,16,589
Profit before Tax	8,49,24,286	1,37,91,975
Current Tax	2,38,74,120	32,00,000
Deferred Tax Liability	56,000	48,000
Tax of Earlier Years	8,04,616	15,41,831
Total Tax Expenses	2,47,34,736	47,89,831
Profit for the Year	6,01,89,550	90,02,144

a) Business Growth

Your Company witnessed all-round growth during the year, opened 20 new branches, acquired a total of 1,62,267 women borrowers and served them through 75 branches across 22 Districts in 6 States (Assam, Bihar, Jharkhand, Odisha, Tripura & West Bengal). Expansion to Tripura and Assam was undertaken during the year 2019-20.

Your Company's Operational highlights for Financial Year (“FY”) 2019-2020 are as follows :

Year Ended	2020	2019
Branches	75	55
States	6	4
Districts	22	14
Borrowers	162267	95796
Loans Disbursed (in Cr)	333.15	234.38

b) Profitability

Your Company's overall performance during the year was robust resulting in improvement in all operational and financial parameters. During the year under review, the net revenue from operations of your Company was Rs. 40,90,52,038 for FY 2019-2020 and your Company's Profit After Tax stood at Rs 6,01,89,550

c) Direct Assignment and Securitisation

Your Company has completed a Securitization transaction with ICICI Bank Ltd amounting to Rs. 6.67 Crore during the year under review.

CAPITAL INFUSION

During the Financial Year under review, your Company had allotted 19,14,170 number of equity shares of Rs 10/- each at a premium of Rs.9.50 per share, ranking pari passu with the existing shares of the Company on Right Issue basis.

Post allotment of equity shares as aforesaid, the Issued, Subscribed and Paid-up Share Capital of the Company stood at Rs. 22,14,57,350 (Rupees Twenty- Two Crore Fourteen Lakh Fifty-Seven Thousand Three Hundred and Fifty) comprising of 2,21,45,735 (Two Crore Twenty-One Lakh Forty-Five Thousand Seven Hundred and Thirty-Five) equity shares of INR 10 each as on March 31, 2020. The net worth of the Company as on March 31, 2020, was Rs. 34.48 crores. During the year under review, the Company has not raised capital in any other manner.

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

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

TRANSFER TO RESERVES

Considering the profit by the Company this year, Rs. 1,20,37,910 has been transferred to the Statutory Reserve as per Section 45-IC of Reserve Bank of India Act, 1934 and an amount of Rs.1,43,12,733 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.

RBI'S REGULATION FOR THE MFI SECTOR:

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

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

On June 16, 2014, RBI recognized MFIN (Microfinance Institutions Network) as a Self-Regulatory Organization (SRO) for NBFC-MFIs in line with similar Institutions such as IRDA, SEBI, and AMFI which reflected a very positive and encouraging approach towards microfinance sector.

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

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

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

OUR CUSTOMERS:

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

During the year under review, Janakalyan served a total number of 1,62,267 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 taking NBFC-MFI under Section 45-IA of the RBI Act, 1934. As per Non-Banking Finance Companies RBI Directions, 2015, the Directors hereby report that the Company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

As the name of your Company had been changed to Janakalyan Financial Services Private Limited from Janakalyan Consultancy & Services Private Limited, a revised Certificate dated February 06, 2019, with the new name was issued by RBI.

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

CAPITAL ADEQUACY

Your Company is well-capitalized and had a capital adequacy ratio was 23.25% as on March 31, 2020, 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, 2020, was Rs 34.49 crores.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board is in accordance with the provisions of Section 149 of the Companies Act, 2013 with an appropriate combination of Executive Director, Non-Executive Directors, and Independent Directors. The complete list of Directors of the Company has been provided as part of the Corporate Governance Report.

During the year under review on the recommendation of Nomination and Remuneration Committee of the Company ("NRC"), your Company has appointed Mr. Asok Kumar Das (DIN: 00288606), as an Additional Independent Director of the Company with effect from April 27, 2019, with approval of the Board of Directors, to hold office up to the date of the 3rd Annual General Meeting. Later at the Annual General Meeting, Mr. Asok Kumar Das was appointed as an Independent Director for 3 years with effect from September 07, 2019.

Further, as per the requirement of SIDBI Venture Capital Ltd on behalf of investor SIDBI Trustee Company Ltd-A/C Samriddhi Fund, Mr. Kishor Raichandani, (DIN: 07021255) was inducted by the Board as the Nominee Director on behalf of SIDBI Venture Capital Ltd. with effect from April, 27 2019. The Board subsequently appointed Ms. Dhara Jitendra Mehta, (DIN:07410469), as the Nominee Director on behalf of SIDBI Venture Capital Ltd with effect from August 09, 2019 post the resignation of Mr. Kishore Raichandani.

Mr. Biswamohan Mahapatra (DIN: 06990345), Independent Director, resigned from the Board of Directors of the Company with effect from July 04, 2019, for personal reasons and Mr. Kishor Kumar Raichandani (DIN: 07021255), Nominee Director resigned from the Board of Director of the Company with effect from July 29, 2019 due to his separation from SIDBI Venture Capital Limited.

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

On the recommendation of the Nomination and Remuneration Committee of the Company ("NRC") the Board at its Meeting held on April 27, 2019, has approved the appointment of Mr. Arup Kumar Dutta as the Chief Financial Officer of the Company.

Further to the recommendation of the Nomination and Remuneration Committee of the Company ("NRC"), the Board at its Meeting held on January 28, 2020, has approved the appointment of Ms. Shivani Agarwal as the Company Secretary and Compliance Officer of the Company with effect from March 2, 2020 post the resignation of the erstwhile Company Secretary, Ms. Anindita Chanda with effect from February 15, 2020.

As of March 31, 2020, 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.

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, 2020, 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 judgements 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, 2020 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.

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, 2020, the Board consisted of 6 members which included two Executive Directors, three Independent Directors (including one Woman Independent Director), and one Nominee Director

MEETING OF BOARD OF DIRECTORS

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

DETAILS OF COMMITTEES OF BOARD OF DIRECTORS

The details of the Committees of the Board namely the Audit Committee, Nomination and Remuneration Committee and 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 2019-20.

(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.

DETAILS OF SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE COMPANIES

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

PARTICULARS OF LOANS OR GUARANTEES OR INVESTMENTS

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

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act 2013 and during the year under review were in the ordinary course of business and at an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act 2013. The details of the transactions with related parties, if any, are placed before the Audit Committee from time to time. Details of the related party transactions, which are exempted according to a proviso to Section 188 of the Companies Act 2013, during FY 19-20 are disclosed in the note of the financial statements.

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.

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

There are no such material changes which occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of this report like settlement of

tax liabilities, major loan pre-closure, changes in the market or regulatory conditions, an institution of cases by or against the Company, sale or purchase of capital assets or destruction of any assets, change in the business, assets, condition (financial or otherwise) or results of operations of the Company taken as a whole which is likely to have an impact on the business of the Company.

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

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

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

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

DEPOSITS

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

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

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

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



INTERNAL FINANCIAL CONTROLS

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

RISK MANAGEMENT POLICY

Your Company has integrated risk management practices into governance and operations and has developed a strong risk culture within the organisation. Appropriate systems and tools are in place for identification, measurement, reporting and managing risks. The Board comprises 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 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

From the FY 2020-21, the Company is likely to be required to comply with the provision of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014.

In accordance with the requirements of the provisions the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee are provided in the Corporate Governance Report.

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 Janakalyan 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 Janakalyan is driven by its mission to improve the standards of living of millions of Indians engaged in micro, small and medium enterprises across the country through a wide range of financial services, sustainably and transparently, based on mutual respect and understanding.

EMPLOYEE STOCK OPTION PLAN (ESOP)

The Nomination and Remuneration Committee of the Board of Directors of the Company administer and monitor the Employee Stock Option Scheme of the Company in accordance with applicable law. Employee Stock Option Plan, 2020 was approved by the Board on January 28, 2020 on the recommendation of Nomination and Remuneration Committee.

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.

CORPORATE GOVERNANCE

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

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.

IMPACT OF COVID-19 PANDEMIC

Towards the end of March'20 (last month of the year under review), the COVID-19 pandemic started spreading rapidly in various parts of the country. To contain the same, lockdowns and other initiatives were announced by the Central/State governments with effect from 23rd March, 2020. As a consequence, the operations of the Company were suspended. In order to mitigate the burden of debt servicing, RBI has announced moratorium on all instalment payments on term loans for the periods, 1st March - 31st May, 2020 and later extended it by another three months (1st June-31st August, 2020). The Company has extended the moratorium facility to its borrowers till 31st May, 2020 with the approval of the Board. The Board subsequently approved that the Company may at its discretion grant loan moratorium to customers for another 3 months (June - Aug 2020).

The Company is closely monitoring the situation with regard to liquidity, ability to service debt, impact on income and profitability arising out of COVID-19. In view of the disruption caused and the prevailing uncertainty regarding the duration for which this pandemic may last, the Company at the direction of the Board has prepared Interim business plan instead of a full-fledged Business budget for FY21. The Interim business plan shall be reviewed at the beginning of Q3FY21, by when a greater degree of clarity is expected on the external business environment.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on March 31, 2020 in Form MGT 9 has been annexed as Annexure -I to the Director's Report.


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
Wholetime Director
DIN : 03521074


Alok Biswas
Managing Director
DIN : 03141650

Place : Kolkata
Date : 28-08-2020

Annexure-II CORPORATE GOVERNANCE

Janakalyan believes and strives to adopt and adhere to the highest standards of Corporate Governance principles and best practices. With this objective the organisation has put in place various policies, systems and processes to achieve transparency, business ethics and compliance with applicable laws. The Company is dedicated and committed to ensure high standards of transparency and accountability in all its activities. To this effect, the best management practices and high level of integrity in decision making are followed to ensure creation of value for all its stakeholders.

BOARD OF DIRECTORS

The Company has a broad-based Board of Directors, constituted in compliance with the Section 45-IA of the RBI Act, 1934 and Companies Act, 2013, and in accordance with good corporate governance practices. The Company recognizes and embraces the importance of a diverse Board and strongly believes that a diverse Board can adequately leverage differences in thought, perspective, knowledge, skill, industry experience and age, which will help us retain and maximize our competitive advantage.

The Board functions both as a full Board or through various committees constituted to over-see specific operational areas. As on March 31, 2020, the Company's Board comprises of two (2) Executive Directors, three (3) Independent Directors (including one-woman Independent Director) and one (1) Nominee Director.

During the year under review, the Board met six (6) times on 27 April 2019, 29 July 2019, 09 August 2019, 21 October 2019, 05 November 2019 and 28 January 2020. The interval between the two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013.

The names of the members of the Board, their category, attendance at the Board Meetings and the last Annual General Meeting ("AGM") are as under :

Sl. No.	Name of the Director	Category of Directors	No. of meetings held in FY 19-20	No. of meetings attended in FY 19-20	Whether attended last AGM (07 th September 2019)	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	Six	Yes	27/04/2019	-
4.	Ms. Bani Saraswati DIN: 03024536	Independent Director	Six	Two	No	01/07/2017	-
5.	Mr. Atanu Sen DIN: 05339535	Independent Director	Six	Six	Yes	13/07/2018	-
6.	Mr. Biswamohan Mahapatra* DIN: 06990345	Independent Director	Six	One	No	01/07/2017	04/07/2019
7.	Mr. Kishor Kumar Raichandani** DIN: 07021255	Nominee Director	Six	Two	No	27/04/2019	29/07/2019
8.	Ms. Dhara Jitendra Mehta*** DIN: 07410469	Nominee Director	Six	None	No	09/08/2019	-

*Mr. Biswamohan Mahapatra resigned from the post of Independent Director of the Company w.e.f. 04.07.2019.

** Mr. Kishor Kumar Raichandani was appointed as a Nominee director of SIDBI Capital Venture Ltd. w.e.f. 27.04.2019

*** Mr. Kishor Kumar Raichandani resigned w.e.f. 29.07.2019 and was substituted by Ms. Dhara Jitendra Mehta as per SIDBI Act, 1990 as a Nominee Director of the Company w.e.f. 09.08.2019.

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.

a. Audit Committee

The Audit Committee assists the Board in the dissemination of financial information and in overseeing the financial and accounting processes in the Company. The terms of reference of the Audit Committee cover all matters specified in section 177 of the Companies Act, 2013. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of financial reporting systems and reviewing of the adequacy of financial policies and practices followed by the Company. The Audit Committee also looks after compliance with the legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its finding to the Board.

Audit Committee Composition

Sl. No.	Name	Chairman / Members
1.	Mr. Biswamohan Mahapatra	Chairman
2.	Ms. Bani Saraswati	Member
3.	Mr. Sunanda Kumar Mitra	Member
4.	Mr. Atanu Sen	Member
5.	Mr. Kishor Kumar Raichandani*	Member

*Mr. Kishor Kumar Raichandani was appointed as a Nominee director of SIDBI Capital Venture Ltd. w.e.f. 27.04.2019

Reconstitution of 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

*Reconstitution of Audit Committee was done on 9th August 2019 with induction of Ms. Dhara Mehta as Nominee Director in place of Mr. Kishore Kumar Raichandani who resigned on 29.07.2019

As on March 31, 2020 the Committee comprised of two (2) Independent Directors, one (1) Nominee Director all of whom are financially 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 other Directors are invited to attend the Audit Committee meetings as and when required. The Company Secretary acts as secretary to the Committee. The Audit Committee met four (4) times during the year on April 27, 2019, 29 July 2019, 05 November 2019 and 28 January 2020 respectively. The time gap between any two meetings was less than four (4) months.

Attendance of Director (AC) :

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.	Mr. Biswamohan Mahapatra*	Independent Director	Four	One
4.	Ms. Bani Saraswati	Independent Director	Four	None
5.	Mr. Sunanda Kumar Mitra	Whole time Director	Four	One
6.	Mr. Kishor Kumar Raichandani**	Nominee Director	Four	One
7.	Ms. Dhara Jitendra Mehta***	Nominee Director	Four	None

*Mr. Biswamohan Mahapatra resigned from the post of Independent Director of the Company w.e.f. 04.07.2019.

** Mr. Kishor Kumar Raichandani was appointed as a Nominee director of SIDBI Capital Venture Ltd. W.e.f 27.04.2019

*** Mr. Kishor Kumar Raichandani resigned w.e.f 29.07.2019 and was replaced by Ms. Dhara Jitendra Mehta as per SIDBI Act, 1990 as a Nominee Director of the Company w.e.f. 09.08.2019.

b. Nomination & Remuneration Committee

The Nomination and Remuneration Committee functions in accordance with section 178 of the Companies Act, 2013, and its functions also includes 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.	Ms. Bani Saraswati	Member
3.	Mr. Biswamohan Mahapatra	Member
4.	Mr. Sunanda Kumar Mitra	Member
5.	Mr. Kishor Kumar Raichandani*	Member

* Mr. Kishor Kumar Raichandani was appointed as a Nominee director of SIDBI Capital Venture Ltd. W.e.f 27.04.2019

Reconstitution of Nomination & Remuneration Committee Composition *:

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

*Reconstitution of Nomination & Remuneration Committee was done on 9th August 2019 with induction of Ms. Dhara Mehta as Nominee Director in place of Mr. Kishore Kumar Raichandani who resigned on 29.07.2019

As on March 31, 2020 the Committee comprised of two (2) Independent Directors and one (1) Nominee Director. The Chairman, Managing Director and the Chief Financial Officer are permanent invitees to the meetings of the Committee. The other Directors are invited to attend the Nomination & Remuneration Committee meetings as and when required. The Company Secretary acts as the secretary to the Committee. The Committee met thrice during the year on, 27 April 2019, 05 November 2019 and 28 January 2020 respectively

Attendance of Director (NRC) :

Sl. No.	Name of the Member	Position	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Asok Kumar Das	Independent Director	Three	Two
2.	Mr. Atanu Sen	Independent Director	Three	Three
3.	Mr. Biswamohan Mahapatra*	Independent Director	Three	One
4.	Ms. Bani Saraswati	Independent Director	Three	None
5.	Mr. Sunanda Kumar Mitra	Whole time Director	Three	One
6.	Mr. Kishor Kumar Raichandani**	Nominee Director	Three	None
7.	Ms. Dhara Jitendra Mehta***	Nominee Director	Three	None

*Mr. Biswamohan Mahapatra resigned from the post of Independent Director of the Company w.e.f. 04.07.2019.

** Mr. Kishor Kumar Raichandani was appointed as a Nominee director of SIDBI Capital Venture Ltd. W.e.f 27.04.2019

*** Mr. Kishor Kumar Raichandani resigned w.e.f 29.07.2019 and was replaced by Ms. Dhara Jitendra Mehta as per SIDBI Act, 1990 as a Nominee Director of the Company w.e.f. 09.08.2019

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. The Committee is headed by an Independent Director.

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

No meeting was held during the year under reporting as during the year under review, the Company did not come under the ambit of the relevant Company law for mandatory CSR activities.

General Body Meetings :

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

Financial Year	Venue	Date	Time
2018-2019	CD-193,1 st Floor, Salt Lake City, Kolkata-700064	07 th September 2019	11.00 AM
2017-2018	CD-193,1 st Floor, Salt Lake City, Kolkata-700064	19 th September 2018	11.30 AM
2016- 2017	CD-193,1 st Floor, Salt Lake City, Kolkata-700064	09 th September 2017	12 Noon



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

2018-2019

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

2017-2018

Appointment of Mr. Atanu Sen as an Independent Director.

Increase in Authorised Capital.

Alteration of Capital Clause of Memorandum of Association.

Increase in Borrowing limits of the Company.

2016- 2017

To ratify the appointment of Mr. Sunanda Kumar Mitra as Whole Time Director.

To ratify the appointment of Mr. Alok Biswas as Managing Director.

To appoint Mr. Biswamohan Mahapatra as an Independent Director.

To appoint Ms. Bani Saraswati as an Independent Director.

Increase in Authorised Capital.

Alteration of Capital Clause of Memorandum of Association.

Issue/Allotment of Sweat Equity Share.

Change in the Name 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.

4th Annual General Meeting date, time and venue :

Date & Time : 30th Day of September, 2020 at 11.00 a.m.

Venue : CD-193,1st Floor,

Salt Lake City, Kolkata-700064

Financial Year : April 01, 2019 to March 31, 2020

Distribution of Shareholdings :

Range of Holdings	Number of Shares	Amount (INR)	% to Capital	Number of Shareholders	% of Shareholders
1 to 50,000	96154	961540	0.44	5	21.74
50,000 to 1,00,000	61550	615500	0.27	1	4.35
Above 1,00,000	21988031	219880310	99.29	17	73.91

Address for Correspondence

Janakalyan Financial Services Private Limited

(Formerly: Janakalyan Consultancy & Services Private Limited)

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

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

Tel. No: 033 2337 0123, Email address: cs@janakalyan.net , Website: www.janakalyan.net

Means of Communication

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

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2020

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

I. REGISTRATION & OTHER DETAILS :

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During The year
	De mat	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual / HUF	0	7508246	7508246	37.11	0	7780898	7780898	35.14	0
b) Central Govt. or State Govt. (s)	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(1)	0	7508246	7508246	37.11	0	7780898	7780898	35.14	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During The year
	De mat	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	
2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1) +(A)(2)	0	7508246	7508246	37.11	0	7780898	7780898	35.14	0.00
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(1)	0	0	0	0.00	0	0	0	0	0.00
2. Non Institutions									
a) Bodies Corp.									
(i) Indian		4675471	4675471	23.11	0	4675471	4675471	21.11	-2.00
(ii) Overseas		0	0	0	0	0	0	0	0
b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs.1 lakh	0	0	0	0.00	0	0	0	0	0
(ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh		8047848	8047848	39.78		9689366	9689366	43.75	3.97
c) Others	0	0	0	0	0	0	0	0	0
Sub-total(B)(2)	0	12723319	12723319	62.89	0	14364837	14364837	64.86	1.97

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During The year
	De mat	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	
Total Public Shareholding (B)= (B)(1) +(B)(2)	0	12723319	12723319	62.89	0	14364837	14364837	64.86	1.97
C. Shares held by Custodian for GDRs & ADRs									
	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	0	20231565	20231565	100.00	0	22145735	22145735	100.00	

(ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year	% change in shareholding during the year		
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares		% of total shares of the company	% of shares pledged encumbered to total shares	
1	Sunanda Kumar Mitra	5227348	25.84	0	5500000	24.84	0	-1.00
2	Alok Biswas	2280898	11.27	0	2280898	10.30	0	-0.97
	Total	7508246	37.11	0	7780898	35.14	0	-1.98

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

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sunanda Kumar Mitra						
	At the beginning of the year	April 1, 2019		5227348	25.84		25.84
	Changes during the year	October 21, 2019	Allotment	272652	-1.00	272652	-1.00
	At the end of the year	March 31, 2020				5500000	24.84

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year	Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	SIDBI Trustee Company Limited-A/C Samridhi Fund				

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year	Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	4675471	23.11	4675471	23.11
	Increase/ Decrease	0	-2.00	0	-2.00
	At the end of the year			4675471	21.11
2.	Loknath Agarwalla				
	At the beginning of the year	1359519	6.72	1359519	6.72
	Increase/ Decrease	251990	0.56	16,11,509	7.28
	At the end of the year			16,11,509	7.28
3.	Susim Mukul Datta				
	At the beginning of the year	1230061	6.08	1230061	6.08
	Increase/ Decrease	1,53,758	0.17	13,83,819	6.25
	At the end of the year			13,83,819	6.25
4.	Mayadhar Mahakud				
	At the beginning of the year	810469	4.01	810469	4.01
	Increase/ Decrease	3,84,615	1.39	11,95,084	5.40
	At the end of the year			11,95,084	5.4
5.	Samir Chimanlal Sanghavi				
	At the beginning of the year	808600	4.00	808600	4.00
	Increase/ Decrease	1,01,075	0.11	9,09,675	4.11
	At the end of the year			909675	4.11
6.	Manick Deb				
	At the beginning of the year	775000	3.83	775000	3.83
	Increase/ Decrease	15,000	-0.26	7,90,000	3.57
	At the end of the year			790000	3.57
7.	Jatin Chimanlal Sanghavi				
	At the beginning of the year	641400	3.17	641400	3.17
	Increase/ Decrease	80,175	0.09	7,21,575	3.26
	At the end of the year			721575	3.26
8.	Samiran Chanda				
	At the beginning of the year	650000	3.21	650000	3.21
	Increase/ Decrease	0	-0.27	0	-0.27
	At the end of the year			650000	2.94
9.	Dilip Kr Saraf (HUF)				
	At the beginning of the year	199800	0.99	199800	0.99
	Increase/ Decrease	1,69,200	0.68	3,69,000	1.67
	At the end of the year			369000	1.67
10.	Divya Saraf				
	At the beginning of the year	346050	1.71	346050	1.71
	Increase/ Decrease	22,950	-0.04	3,69,000	1.67
	At the end of the year			369000	1.67
	Total Equity Shareholding			12675133	57.26

(v) Shareholding of Directors & KMP

Sr. No.	For Each of the Directors & KMP	Shareholding at the end of the year	Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sunanda Kumar Mitra				
	At the beginning of the year	52,27,348	25.84	5227348	25.84
	Increase/ Decrease	2,72,652	-1.00	5500000	24.84
	At the end of the year			5500000	24.84
2.	Alok Biswas				
	At the beginning of the year	22,80,898	11.27	2280898	11.27
	Increase/ Decrease	0	-0.97	0	-0.97
	At the end of the year			2280898	10.30
3.	Arup Dutta				
	At the beginning of the year		0.00	0	0.00
	Increase/ Decrease	1,50,000	0.68	1,50,000	0.68
	At the end of the year			150000	0.68

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager	
		Whole-time Director-Sunanda Kumar Mitra	Managing Director-Alok Biswas
1.	Gross salary		
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax. 1961.	30,00,000.00	45,53,200.00
	(b) Value of perquisites u/s 17 (2) of the Income tax Act, 1961		
	(c) Profits in lieu of salary under section 17 (3) of the Income Tax Act, 1961	-	-
2.	Stock option		
3.	Sweat Equity	-	-
4.	Commission as % of profit	-	-
	Others (specify)	-	-
5.	Others, please specify	-	-
	Total	30,00,000.00	45,53,200.00

B. Remuneration to other directors :

Sr. No.	Particulars of Remuneration	Name of the Directors			
		Bani Saraswati	Atanu Sen	Asok Kumar Das	Biswamohan Mohapatra
1.	Independent Directors				

Sr. No.	Particulars of Remuneration	Name of the Directors			
		Bani Saraswati	Atanu Sen	Asok Kumar Das	Biswamohan Mohapatra
	(a) Fee for attending board committee meetings	30,000.00	1,27,500.00	1,12,500.00	25,000.00
	(b) Commission	0.00	0.00	0.00	0.00
	(c) Others, please specify	0.00	0.00	0.00	0.00
	Total (1)	30,000.00	1,27,500.00	1,12,500.00	25,000.00
2.	Nominee Directors	SIDBI Venture Capital Ltd			
	(a) Fee for attending board committee meetings	27,500.00			
	(b) Commission	0.00			
	(c) Others, please specify	0.00			
	Total (2)	27,500.00			
	Total (B) = (1+2)	3,22,500.00			
	Total Managerial Remuneration				

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer- Arup Kumar Dutta	Company Secretary - Anindita Chanda*	Company Secretary - Shivani Agarwal**
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	20,50,875.00	3,17,143.00	43,025.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2.	Stock Option			
3.	Sweat Equity			
4.	Commission as % of profit others, specify			
5.	Others, please specify			
	Total	20,50,875.00	3,17,143.00	43,025.00

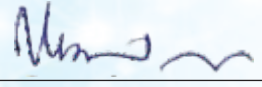
* Resigned on February 15,2020

** Appointed on March 02,2020

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

For and on behalf of the Board of Directors


Sunanda Kumar Mitra
 Wholetime Director
 DIN : 03521074


Alok Biswas
 Managing Director
 DIN : 03141650

Place : Kolkata
 Date : 28-08-2020

INDEPENDENT AUDITOR'S REPORT & FINANCIALS

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

Report on the Audit of the Financial Statements

Opinion :

We have audited the accompanying financial statements of **JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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 (Indian 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, 2020, the profit and its cash flows for the year ended on that date.

Emphasis of Matter :

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

The extent to which the COVID-19 pandemic will impact the Company's provision on assets and future results will depend on the future

developments, which are highly uncertain. Hence the impact of the pandemic may be different from that estimated as at the date of approval of these financial results.

Basis for Opinion :

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

Key Audit Matters :

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

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises

the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Financial Statements :

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

In preparing the financial statements, management is responsible for assessing the

Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements :

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

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

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

order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that :
 - a. We have sought and obtained all the information and explanations which to the best of knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flows dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting

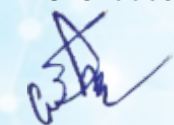
Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- e. On the basis of written representations received from Directors as on March 31, 2020, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B to this report;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company does not have any pending litigations as on 31st March 2020.

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



**Biswanath Paul
Partner
M. No. 068186
UDIN: 20068186AAAKN6943**

Date : 03.06.2020
Place : Kolkata

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

Re: “JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED”

I. In respect of fixed assets :

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- c. According to the information and explanations given by the management, there are no immovable properties included in fixed assets of the company and accordingly the requirements under clause 3(i)(c) of the order are not applicable to the Company.

Since the company is a Non-Banking Financial Company-Micro Finance Institution engaged in the business of providing loans, it is exempted under section 186(11) of the companies Act 2013 and hence the provisions of section 186 are not applicable to the company.

V. The company has not accepted any deposits from the public.

VI. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the services rendered by the company.

VII. In respect of Statutory dues :

a. According to the records of the company the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, Service Tax, sales tax, custom duty, excise duty and Cess were in arrears, as at 31st March, 2020, for a period of more than six months from the date they became payable."

c. According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and Cess which have not been deposited on account of any dispute.

II. In respect of Inventories :

The company's business does not involve inventories. Accordingly the requirements under paragraph 3(ii) of the order are not applicable to the Company.

III. In respect of Loan :

According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms Limited Liability Partnerships or other parties covered in the register maintained under section 189 of Companies Act, 2013. Accordingly the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.

VI. In our opinion and according to the information and explanations given to us, the company has not granted loans or provided any guarantee or security to parties covered under section 185 of the company act, 2013.

VIII. In our opinion and according to the information and explanations given by the management, the company has not defaulted in repayment of dues to a financial institution, bank or Government.

IX. According to the information and explanation given by the management, the company has not raised any money by way of initial public offer or further public offer, hence not commented upon.

Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

X. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no material fraud by the company or on the company by the officers and employees of the company has been noticed or reported during the year.

XI. According to the information and explanations given by the management, the managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197, read with schedule V to the Act.

XII. In our opinion, the company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the company and hence not commented upon.

XIII. According to the information and explanations given by the management, transactions with the related parties are in Compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

XIV. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting requirements under clause 3 (xiv) are not applicable to the company and, not commented upon.

XV. According to the information and explanations given by the management, the company has not entered into any non-cash transaction with directors or persons connected with him.

XVI. According to the information and explanations given to us, we report that the company has registered as required, under section 45-1A of the Reserve Bank of India Act, 1934.

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


**Biswanath Paul
Partner
M. No. 068186
UDIN: 20068186AAAANKN6943**

Date : 03.06.2020
Place : Kolkata

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

To the Members of "JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED"

We have audited the internal financial controls over financial reporting of "JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED" as of March 31, 2020 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



Biswanath Paul
Partner

M. No. 068186

UDIN: 20068186AAAANKN6943


Date : 03.06.2020
Place : Kolkata



Janakalyan Financial Services Private Limited
(Formerly Janakalyan Consultancy & Services Pvt. Ltd)
Balance Sheet as at 31st March 2020


	Note	31st March , 2020	31st March , 2019
		₹	₹
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	221,457,350	202,315,650
Reserves & Surplus	4	123,433,879	45,059,713
		344,891,229	247,375,363
NON-CURRENT LIABILITIES			
Long Term Borrowings	5	448,591,921	511,758,809
Deferred Tax Liability (Net)		234,000	178,000
Long term provisions		2,052,904	777,314
		450,878,825	512,714,123
CURRENT LIABILITIES			
Short Term Borrowings	6	152,355,923	53,442,308
Trade Payables	7	6,168,584	6,126,810
Other Current Liabilities	8	946,462,685	574,164,427
Short term provisions	9	51,415,214	13,468,067
		1,156,402,406	647,201,612
		1,952,172,460	1,407,291,098
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
-Tangible Assets	10	8,296,143	6,399,277
-Intangible Assets		2,576,030	1,465,037
Long term loans and advances	11	344,238,146	212,725,009
		355,110,319	220,589,323
CURRENT ASSETS			
Cash and Cash Equivalents	12	128,724,248	328,083,979
Short term loans and advances	13	1,390,683,751	820,553,454
Other current assets	14	77,654,142	38,064,342
		1,597,062,141	1,186,701,775
		1,952,172,460	1,407,291,098

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



Biswanath Paul (Partner)
M. No.068186
UDIN:20068186AAAAKN6943
Place : Kolkata
Date : 03/06/2020




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:- AU2303


Janakalyan Financial Services Private Limited
(Formerly Janakalyan Consultancy & Services Pvt. Ltd)
Statement of Profit and Loss for the Period Ended 31st March 2020

	Note	31st March , 2020	31st March , 2019
		₹	₹
Revenue from Operations	15	320,880,169	193,229,610
Other Income	16	88,171,869	39,478,954
Total Revenue		409,052,038	232,708,564
EXPENSES			
Employee Benefits Expenses	17	75,571,260	63,089,010
Depreciation	10	2,223,635	1,488,792
Finance Cost	18	193,085,328	128,943,081
Other Expenses	19	37,898,913	23,557,175
Provisions and Write-offs	20	15,348,616	1,838,531
Total Expenses		324,127,752	218,916,589
Profit Before Tax		84,924,286	13,791,975
Tax Expenses:			
(1) Current Tax		23,874,120	3,200,000
(2) Deferred Tax (Assets)/Liabilities		56,000	48,000
(3) Tax of Earlier Years		804,616	1,541,831
Total Tax Expenses		24,734,736	4,789,831
Profit for the Year		60,189,550	9,002,144
Earning Per Equity Share			
(1) Basic		2.86	0.58
(2) Diluted		2.86	0.58

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:20068186AAAAKN6943
Place : Kolkata
Date : 03/06/2020

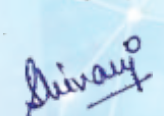


For and on behalf of the Board of Directors


Sunanda Kr. Mitra
Chairman
DIN - 03521074


Arup Kumar Dutta
Chief Financial Officer


Alok Biswas
Managing Director
DIN - 03141650


Shivani Agarwal
Company Secretary
M.No:- AU2303



Janakalyan Financial Services Private Limited
(Formerly Janakalyan Consultancy & Services Pvt. Ltd)
Cash Flow Statement for the Year Ended 31st March 2020

Particulars	2019-20	2018-19
	Rupees (₹)	Rupees (₹)
Cash Flow From Operating Activities :		
Profit Before Tax and extraordinary items	84,924,286	13,791,975
Adjustments for :		
Loan Loss Provisions	15,348,616	1,838,531
Depreciation	2,223,635	1,488,792
Minimum Alternate Tax	(804,616)	
Operating Profit Before Working Capital Changes	101,691,921	17,119,298
(Increase)/Decrease in Micro Finance Loans	(544,890,952)	(106,121,639)
(Increase)/Decrease in Other Loans & advances	(25,239,345)	(7,622,744)
(Increase)/Decrease in Non Current Assets	(131,513,137)	(211,617,509)
(Increase)/Decrease in Other Current Assets	(39,589,800)	(14,877,524)
Increase/(Decrease) in Trade Paybles	41,774	2,950,638
Increase/(Decrease) in Current Liabilities	3,830,508	5,788,395
Net Cash Provided By/(Used In) Operating Activities (A)	(635,669,031)	(314,381,085)
Cash Flow From Investing Activities		
Purchases of Fixed Assets	5,231,494	6,195,237
Net Cash Provided By/(Used In) Investing Activities (B)	(5,231,494)	(6,195,237)
Cash Flow From Financing Activities :		
Increase in Borrowings	404,214,477	420,263,685
Proceeds From Issuance of Share Capital	37,326,316	115,273,800
Net Cash Provided By/(Used In) Financing Activities (C)	441,540,793	535,537,485
Net Increase In Cash And Cash Equivalents (A+B+C)	(199,359,732)	214,961,163
Cash And Cash Equivalents At The Begining of The Year	328,083,980	113,122,817
Cash And Cash Equivalents At The End of The Year	128,724,248	328,083,980
Cash And Cash Equivalents Comprises of :		
1. Cash In Hand	476,260	200,179
2. Balances With Scheduled Banks	128,247,988	327,883,800
	128,724,248	328,083,980

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:20068186AAAANK6943

Place : Kolkata
Date : 03/06/2020



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
(Formerly Janakalyan Consultancy & Services Pvt. Ltd)

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 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 usefull 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

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

2.05 Borrowing Cost

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

2.06 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.

2.07 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.

2.08 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.

2.09 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.

2.10 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

2.11 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 2018-19	Provision adopted by the Company for the Year 2017-18
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.

2.12 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.

2.13 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.

2.14 Provisions and Write-offs

A provision is recognized when an enterprise has a present obligation as a result of past event, it's 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.

2.15 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.

2.16 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.

3	SHARE CAPITAL	31st March , 2020 ₹	31st March , 2019 ₹
	AUTHORISED 3,00,00,000 (P.Y. : 3,00,00,000) Equity shares of Rs. 10/- each	300,000,000	300,000,000
	ISSUED, SUBSCRIBED AND PAID UP 2,21,45,735 no (P.Y.20231565) paid up Equity shares of Rs. 10/- each	221,457,350	202,315,650
		221,457,350	202,315,650

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 , 2020		31st March , 2019	
	No. of shares	% of Holding	No. of shares	% of Holding
Sunanda Kumar Mitra	5,500,000	24.84%	52,27,348	25.84%
Alok Biswas	2,280,898	10.30%	22,80,898	11.27%
Samir Chimanlal Sanghvi	909,675	4.11%	8,08,600	4.00%
Jatin Chimanlal Sanghvi	721,575	3.26%	6,41,400	3.17%
Loknath Agarwalla	1,611,509	7.28%	13,59,519	6.72%
Susim Mukul Datta	1,383,819	6.25%	12,30,061	6.08%
Samiran Chanda	650,000	2.94%	6,50,000	3.21%
Manick Deb	790,000	3.57%	7,75,000	3.83%
SIDBI Trustee Company Ltd -A/c Samridhi Fund	4,675,471	21.11%	46,75,471	23.11%

The reconciliation of number of Equity Shares is set out below

Particulars	31st March , 2020	31st March , 2019
Number of Shares at the beginning	20,231,565	12,299,090
Add: Issue of Equity Shares during the Year	1,914,170	7,932,475
Number of shares at the end of year	22,145,735	2,02,31,565

Issue of Sweat Equity Shares

Particulars	31st March , 2020	31st March , 2019
Number of Shares at the beginning of the year	2,000,000	500,000
Add: Issue of Sweat Equity during the year	0	1,500,000
Number of Shares at the end of year	2,000,000	2,000,000

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

4	RESERVES & SURPLUS	31st March , 2020	31st March , 2019
	A. Statutory Reserve		
	Opening Balance	2,274,823	474,394
	Add: Transfer from Surplus	12,037,910	1,800,429
	Total	14,312,733	2,274,823
	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 Account		
	Opening Balance	35,949,050	-
	Add: Premium received during the year	18,184,616	35,949,050
	Total	54,133,666	35,949,050
	C. Surplus in Profit and Loss Account.		
	Opening Balance	6,835,840	(365,875)
	Add: Profit for the Period	60,189,550	9,002,144
	Amount available for appropriation	67,025,390	8,636,269
	Appropriation :		
	Transfer to Statutory Reserve	12,037,910	1,800,429
	Total	54,987,480	6,835,840
	TOTAL (A+B+C)	123,433,879	45,059,713

Notes to the Financial Statements as at and for the year ended 31st March 2020. Terms of Repayment of Term Loan as on 31.03.2020

5	LONG TERM BORROWINGS	Figures in (₹)				
Sl. No.	Banks / Financial Institution	Balance as on 01.04.2019	Received during the year	Repaid during the year	Balance as on 31.03.2020	Nature of Security Hypothecation of Book Debts
SECURED LOAN/UNSECURED LOANS						
TERM LOAN FROM BANKS/FINANCIAL INSTITUTIONS						
1	Mas Financial Services Limited	166,354,177	210,000,000	166,666,702	209,687,475	Yes
2	Axis Bank Ltd.	49,514,288	-	37,771,426	11,742,862	Yes
3	Capital First Ltd.	132,190,600	-	43,301,713	88,888,887	Yes
4	Sub-ordinated debt. Mas Financial Services Ltd.	30,000,000	-	-	30,000,000	-
5	Arohan Financial Services Ltd.	179,197,678	50,000,000	93,787,329	135,410,349	Yes
6	Ananya Finance for Inclusive Growth Pvt. Ltd.	60,000,000	-	30,042,789	29,957,211	Yes
7	Muthoot Capital Services Ltd.	40,000,000	-	20,000,004	19,999,996	Yes
8	SIDBI	150,000,000	-	30,000,000	120,000,000	Yes
9	AU Small Finance Bank	44,444,444	-	33,333,336	11,111,108	Yes
10	State Bank of India	59,976,245	-	27,283,876	32,692,369	Yes
11	Bandhan Bank Ltd.	80,000,000	200,000,000	89,047,615	190,952,385	Yes
12	ESAF Small Finance Bank	-	50,000,000	9,772,706	40,227,294	Yes
13	Union Bank of India TL 1	-	50,000,000	10,698,498	39,301,502	Yes
14	UC Inclusive Credit Pvt Ltd	28,233,823	62,000,000	24,285,334	65,948,489	Yes
15	Jainsons Finlease Ltd TL 2 Tr 1	26,871,168	50,000,000	14,334,979	62,536,189	Yes
16	Profectus Capital Services Ltd	-	50,000,000	20,586,940	29,413,060	Yes
17	Electronica Finance Limited	-	20,000,000	8,210,942	11,789,058	Yes
18	Hinduja Leyland Finance	-	110,000,000	20,430,157	89,569,843	Yes
19	Annapurna Finance Pvt. Ltd	-	100,000,000	7,552,269	92,447,731	Yes
20	Mahindra & Mahindra Financial Services Ltd	10,744,778	-	10,744,778	-	Yes
21	Avanse Financial Services Limited	4,319,051	-	4,319,051	-	Yes
22	Visu Leasing and Finance Pvt Ltd	12,028,694	-	12,028,694	-	Yes
23	Maanaveeya Development & Finance Pvt. Ltd	-	37,500,000	-	37,500,000	Yes
24	Incred Financial Services Pvt Ltd TL 2	-	30,000,000	-	30,000,000	Yes
	Total	1,073,874,946	1,019,500,000	714,199,138	1,379,175,808	
	Less : Current Maturities Transferred to Other Liabilities (Refer Note No-8)	562,116,137			930,583,887	
	Balance as on 31.03.2020	511,758,809			448,591,921	

Terms of Repayment of Term Loan as on 31.03.2020

6	SHORT TERM BORROWINGS	Figures in (₹)				
Sl. No.	Banks / Financial Institution	Balance as on 01.04.2019	Received during the year	Repaid during the year	Balance as on 31.03.2020	Nature of Security Hypothecation of Book Debts
SECURED LOANS						
TERM LOAN FROM BANKS/FINANCIAL INSTITUTIONS						
1	Nova Vyapar Private Limited	24,800,000	26,300,000	25,300,000	25,800,000	Yes
2	Vivriti Capital	-	80,000,000	33,057,599	46,942,401	Yes
3	Profectus Capital Services Ltd	5,255,152	-	5,255,152	-	Yes
4	Arohan Financial Services Ltd	13,802,700	-	13,802,700	-	Yes
5	Jainsons Finlease Ltd	9,584,456	-	9,584,456	-	Yes
6	Northern Arc Capital Ltd	-	100,000,000	20,386,478	79,613,522	Yes
	Total	53,442,308	206,300,000	107,386,385	152,355,923	

7 TRADE PAYABLES				
Particulars	31ST		31ST	
	March , 2020		March , 2019	
	₹		₹	
Liability for Expenses	1,442,262		2,319,830	
Group Insurance Premium	4,726,322		3,806,979	
Total	6,168,584		6,126,809	
8 OTHER CURRENT LIABILITIES				
Particulars	31ST		31ST	
	March , 2020		March , 2019	
	₹		₹	
Current maturities of Long Term Debt	930,583,887		562,116,137	
Statutory Liabilities	1,810,286		1,252,071	
Interest Accrued but Not due	9,669,794		4,949,525	
Payable to Creditors (Lenders)	4,398,718		5,846,694	
Total	946,462,685		574,164,427	
9 PROVISIONS				
Provision for Portfolio Loan Assets:	Long Term		Short Term	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Contingent Provision against current and Standard Assets	2,052,904	777,314	7,276,312	8,064,754
Non Performing Loans	-	-	6,290,342	52,991
Total	2,052,904	777,314	13,566,654	8,117,745
Others				
General Provision on Standard Asset but overdue on 29.02.2020. (Covid 19)	-	-	317,620	-
Provision against FLDG kept with Principals. (Assigned/Business Correspondent)	-	-	8,306,496	-
Provision for Taxation	-	-	29,224,443	5,350,323
Total	2,052,904	7,77,314	51,415,214	13,468,068
10 FIXED ASSETS :				
Tangible :				
Cost or Valuation	Figures in ₹			
	Office Equipments	Computer & Software	Furniture & Fixtures and Equipments	Total
As at 1st April 2019	1,677,436	3,119,580	3,453,400	8,250,416
Additions during the period	1,294,064	1,316,132	866,298	3,476,494
Disposals	-	-	-	-
As at 31st March 2020	2,971,500	4,435,712	4,319,698	11,726,910
Depreciation				
As at 1st April 2019	391,053	935,215	524,871	1,851,139
Charge For the Period	268,173	972,355	339,100	1,579,628
Disposals	-	-	-	-
As at 31st MARCH 2020	659,226	1,907,570	863,971	3,430,767
Net Block as on 31st March 2020	2,312,274	2,528,142	3,455,727	8,296,143
Net Block as on 31st March 2019	1,286,383	2,184,365	2,928,529	6,399,277
Intangible :				
Cost or Valuation	Figures in ₹			
	Software	Total		
As at 1st April 2019	1,465,037	1,465,037		
Additions during the period	1,755,000	1,755,000		
Total	3,220,037	3,220,037		
Amortisation during the year	644,007	644,007		
Net Block as on 31st March 2020	2,576,030	2,576,030		

11 LONG TERM LOANS AND ADVANCES				
Particulars	31ST		31ST	
	March , 2020		March , 2019	
	₹		₹	
Micro Finance Loans	205,290,425		77,731,420	
Advance against fixed Assets	-		400,000	
Term Deposit with banks (kept as lien with the lenders)	130,357,627		128,325,223	
Interest Accrued on Fixed Deposits	8,590,094		6,268,366	
Total	344,238,146		212,725,009	
12 CASH AND CASH EQUIVALENTS.				
Particulars	31ST		31ST	
	March , 2020		March , 2019	
	₹		₹	
(a) Balances with banks	94,797,988		314,208,800	
(b) Cash on hand	476,260		200,179	
(c) Fixed Deposit with Banks (kept as lien with the lenders)	33,450,000		13,675,000	
Total	128,724,248		328,083,979	
13 SHORT TERM LOANS AND ADVANCES :				
Particulars	31ST		31ST	
	March , 2020		March , 2019	
	₹		₹	
Micro Finance Loans	1,527,135,379		705,652,849	
Opening Balance	3,331,492,000		2,344,178,200	
Add: Loan Disbursed				
Sub-Total	4,858,627,379		3,049,831,049	
Less: Realised	2,423,571,805		1,522,695,670	
Less: Securitised portfolios	66,658,115		-	
Less: BC Loan Outstanding	806,446,594		637,629,471	
	1,561,955,865		889,505,908	
(i) Microfinance Loan (Unsecured and considered good)	1,561,955,865		889,505,908	
Less: Transferred to Long Term Loans and Advances	205,290,425		77,731,420	
Short Term Micro Loans	1,356,665,440		811,774,488	
(ii) Advance Income Tax	32,551,043		8,620,283	
(ii) Loans & Advance to Staffs	1,467,268		158,683	
Total	82,05,53,454		820,553,454	
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.83.06 crore as a Business Correspondent on behalf of different Banks and NBFCs (i.e.Principals). Please refer note no-23 & 24.				
14 OTHER CURRENT ASSETS				
Particulars	31ST		31ST	
	March , 2020		March , 2019	
	₹		₹	
Prelliminery Expenses not Written off	-		1,420,351	
Security Deposit	27,481,976		14,076,040	
Interest accrued on Fixed Deposit	3,299,508		872,740	
Interest accrued on Portfolio Loan	18,873,302		6,624,366	
Prepaid Expenses	-		1,425,000	
Trade Receivables	16,995,503		6,980,030	
MRR Receivable	6,665,311		-	
Commission Receivable from Principals	3,193,357		3,605,713	
Insurance Claim Receivable	1,145,185		2,255,486	
MAT Credit Entitlement	-		804,616	
Total	77,654,142		38,064,342	

15 REVENUE FROM OPERATIONS			
Particulars	31ST	31ST	
	March , 2020	March , 2019	
	₹	₹	
Interest on Loan. (Refer Note (i) below)	295,354,549	177,084,352	
Loan Processing Fees	25,525,620	16,145,258	
Total	320,880,169	193,229,610	
16 OTHER INCOME			
Particulars	31ST	31ST	
	March , 2020	March , 2019	
	₹	₹	
i) Interest on Loan comprises:			
a) Interest on Micro Finance Loan	295,354,549	177,084,352	
Total	295,354,549	177,084,352	
The company offers small loan products to its borrowers for income generation, which are repayable in equal weekly/fortnightly/Monthly instalments.			
17 EMPLOYEE BENEFIT EXPENSES			
Particulars	31ST	31ST	
	March , 2020	March , 2019	
	₹	₹	
Salaries & Wages ,etc.	65,600,999	55,908,023	
Provident Fund and ESI	5,648,172	4,127,739	
Bonus and Exgratia	2,314,936	1,730,298	
Gratuity	1,558,686	1,128,144	
Employee Health and Insurance Premium	448,467	194,806	
Total	75,571,260	63,089,010	
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.			
18 FINANCE COST			
Particulars	31ST	31ST	
	March , 2020	March , 2019	
	₹	₹	
Interest on Borrowings	179,597,227	109,983,489	
Loan Processing Fees	12,883,701	18,211,210	
Stamp Charges	604,400	748,382	
Total	193,085,328	128,943,081	

19 OTHER EXPENSES					
Particulars	31st March , 2020	31st March , 2019			
	₹	₹			
Audit fee	217,850	200,000			
Telephone & Internet	1,199,163	711,797			
Bank Charges	856,743	237,853			
Electricity Expenses	549,290	566,509			
ROC Fees	31,500	45,165			
Professional Fees	7,221,940	4,895,517			
Office Rent	5,260,952	3,404,071			
Printing & Stationery expenses	1,554,924	983,111			
Travelling & Conveyance	6,149,499	3,429,284			
Office Expenses	2,350,244	1,282,460			
Training Expenses	2,371,995	1,031,761			
Rates and Taxes	247,216	86,169			
Staff Welfare	3,019,093	1,311,135			
Directors Sitting Fees	322,500	230,000			
Insurance	280,531	223,987			
Repair & Maintenance	53,080	25,942			
Goods and Services Tax	2,186,259	1,967,227			
IT related Charges	876,698	424,601			
Membership Fees	558,563	343,914			
Consultancy Charges	1,170,522	1,041,000			
Preliminary Expenses Written off	1,420,351	814,100			
Service Tax	-	301,572			
Total	37,898,913	23,557,175			
20 PROVISIONS FOR LOAN LOSS					
Particulars	As at 1st	Additions	Utilisation	As at 31st	
	April, 2019	₹	₹	March, 2020	
	₹	₹	₹	₹	
Provision for Loan Loss on Portfolio Loan Provision against Standard assets as on 29.02.2020 (Please refer Note 22) against which moratorium granted due to COVID-19.	88,95,059	6,724,500	-	15,619,559	
Provision for Loss on Securitised Portfolio	-	317,620	-	317,620	
Provision for Loss on Portfolio of Business Correspondence	-	242,030	-	242,030	
	-	8,064,466	-	8,064,466	
Total	88,95,059	15,348,616	-	24,243,675	
21 CLASSIFICATION OF PORTFOLIO LOAN ON AGE BASIS					
Particulars	Estimated Provisions Adopted	As at 31st March, 2020		As at 31st March, 2019	
		Principal	Provision Amount (₹)	Principal	Provision Amount (₹)
Current	0.40% to 1%	1,547,909,142	9,294,866	88,88,47,562	88,36,545
Up to 90 days	0.40% to 1%	3,434,980	34,350	5,52,365	5,524
91 to 179 days	50%	8,642,801	4,321,400	1,05,981	52,990
180 days or more	100%	1,968,942	1,968,942	-	-
Total		1,561,955,865	15,619,559	88,95,05,908	88,95,059
*Subject to 1% Whichever is Higher		1,561,955,865	15,619,559	88,95,05,908	88,95,059
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.					
22 PROVISION FOR REGULATORY PACKAGE OF COVID 19					
Particulars	Principal as on	Provision	Provision	Total Provision	
	29.02.2020	Amount (₹)	Amount (₹)	(10%)	
	₹	31st March, 2020	30th June, 2020	₹	
Principal outstanding of all standard but overdue accounts (DPD 1 to 89 days)	6,352,401	317,620	317,620	635,240	
Total	6,352,401	317,620	317,620	635,240	
According to RBI Circular No.RBI/2019-20/220 DOR.No.BPBC.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					

During the Period, the Company has managed loan portfolio of Catalyst Trusteeship Ltd as Service Provider. Details are as given below.				
23	SECURITISED/ASSIGNED LOAN PORTFOLIO:			
	Particulars	31st March , 2020	31st March , 2019	
		₹	₹	
	Opening Balance	-	17,990,745	
	Portfolio assigned	66,653,115	-	
	Total	66,653,115	17,990,745	
	Amount collected	42,450,122	17,990,745	
	Outstanding Portfolio	24,202,993	-	
During the Period, the Company has engaged as a business correspondent of MAS Financial Services Ltd ,Utkarsh Small Finance Bank and IDBI Bank Limited. Details are as given below.				
24	LOAN PORTFOLIO MANAGED AS A BUSINESS CORRESPONDENT.			
	Particulars	31st March , 2020	31st March , 2019	
		₹	₹	
	Opening Balance	637,629,471	67,274,144	
	Amount disbursed	511,310,000	849,880,000	
	Total	1,148,939,471	917,154,144	
	Amount collected	342,492,877	279,524,673	
	Outstanding Portfolio	806,446,594	637,629,471	
25	INCOME AS BUSINESS CORRESPONDENT			
	Particulars	31st March , 2020	31st March , 2019	
		₹	₹	
	Commission Received from MAS Financial Services Ltd	23,341,363	10,010,183	
	Commission Received from Utkarsh Small Finance Bank Ltd	44,355,163	17,632,908	
	Commission Received from IDBI Bank Ltd	600,310	-	
		68,296,836	27,643,091	
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	31.03.2020		31.03.2019	
	Transaction Value	Outstanding	Transaction Value	Outstanding
	₹	₹	₹	₹
i Alok Biswas				
Remuneration	4,350,000	-	3,375,000	-
Sweat Equity Shares	-	-	10,000,000	-
ii) Sunanda Kumar Mitra				
Remuneration	3,000,000	-	2,700,000	-
Sweat Equity Shares	-	-	5,000,000	-
iii) Chief Financial officer and Company Secretary				
Remuneration	2,093,900	-	-	-

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.		
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.		
29	EARNING PER SHARE		
	Particulars	31st March , 2020	31st March , 2019
		₹	₹
	Net Profit After Tax	60,189,550	9,002,144
	Weighted Average Number of Shares	21,081,142	15,408,991
	Earning per share (Basic/Diluted)	2.86	0.58
	Nominal Value per Share	Rs.10/-	Rs.10/-
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.			
30	CAPITAL TO RISK WEIGHTED ASSETS RATIO (CRAR)		
	Particulars	31st March , 2020	31st March , 2019
		₹	₹
	CRAR	23.25%	29.59%
	CRAR- Tier I Capital	20.90%	26.08%
	CRAR-Tier II Capital	2.34%	3.51%
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.			
31	Particulars	REMARKS	
	1.Capital to risk (Weighted) Assets Ratio	Refer Note No. 30.	
	2.Investment	Nil	
	3.Derivatives	The company has not entered into any derivative transactions in the current and previous years.	
	i) Forward Rate Agreement/ Interest Rate Swap		
	ii) Exchange Traded Interest Rate (IR) Derivatives		
	iii) Disclosure of Risk Exposure in Derivatives		
	iv) Forward rate agreement / interest rate swap		
	4. Disclosure relating to Scuritisation	The Company has undertaken Loan Portfolio assigned by Catalyst Trusteeship Ltd and also managed the Loan portfolio of Utkarsh Small Finance Bank Ltd, MAS Financial Services Pvt Ltd and IDBI Bank Ltd. Please refer Note no-23 and 24.	
	i) Information duly certified by the SPV'S Auditors obtained by the originating NBFC from the SPV.		
	ii) Details of financial assets sold to scuritisation/ Reconstruction company for asset reconstruction.		
	iii) Details of Assignment transactions undertaken by NBFCs		
	5.Details of non performing financial assets purchased /Sold	The Company has not purchased / sold any non performing financial assets.	
	i) Details of non performing financial assets purchased :		
	ii) Details of non performing financial assets sold:		

6. Assets Liability Managements Maturity pattern of certain items of assets and liabilities.
Details as on 31st March 2020.

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	0.00	1.00	4.25	41.97	50.45
Investments	0.00	0.00	0.00	0.00	0.00
Borrowings	2.09	0.50	7.01	30.34	50.81

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	58.53	0.00	0.00	156.20
Investments	0.00	0.00	0.00	0.00
Borrowings	62.40	0.00	0.00	153.15



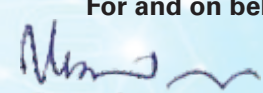
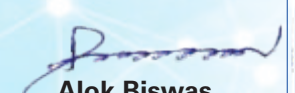
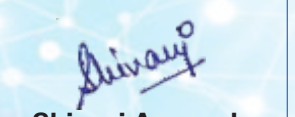
Note: The Company does not have any foreign currency Assets or Liabilities.

7. Exposure	The Company has no exposure to real estate and Capital Market directly or indirectly.
<ul style="list-style-type: none"> i) Exposure to Real estate sector ii) Exposure to Capital Market. 	
8. Details of Financing of parent company products:	Single borrower limit (SGL)/ Group Borrower Limit (GBL) has not exceeded by the Company. Portfolio Loan of Rs.156,19,55,865/-
<ul style="list-style-type: none"> i) Details of single borrower limit (SGL) / Group Borrower limit(GBL) exceeded by NBFC ii) Unsecured Advances 	
9. Miscellaneous	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 05.11.2019) Refer Note No-26. Nil Refer Note No-2.06.
<ul style="list-style-type: none"> 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 	
10. Additional Disclosures	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.

31A	Breakup of Provisions and contingencies shown under the head Expenditure in Profit and Loss Statement.		
	Particulars	31st March , 2020	31st March , 2019
		₹	₹
	Provision for Income Tax	23,874,120	3,200,000
	Provision for Gratuity	1,558,686	1,128,144
	Provision towards NPA	6,290,342	52,990
	Provision for Standard Assets	9,329,216	8,842,069
31B	CONCENTRATION OF ADVANCES		
	Particulars	31st March , 2020	31st March , 2019
		₹	₹
	Total Advances to twenty Largest borrowers	800,000	800,000
	Percentage of total Advances to twenty Largest borrowers to total advance of the NBFC	0.05%	0.09%
31C	CONCENTRATION OF EXPOSURES		
	Particulars	31st March , 2020	31st March , 2019
		₹	₹
	Total Advances to twenty Largest borrowers	800,000	800,000
	Percentage of total Advances to twenty Largest borrowers to total advance of the NBFC	0.05%	0.09%
31D	CONCENTRATION OF NPA'S		
	Particulars	31st March , 2020	31st March , 2019
		₹	₹
	Total Exposure to top four NPA accounts	99,125	35,319
32	AVERAGE RATE OF INTEREST, COST OF BORROWING AND MARGIN		
	Particulars	31st March , 2020	31st March , 2019
		₹	₹
	Average Interest	24.90%	25.16%
	(a) Average cost of borrowing	15.10%	15.58%
	(b) Margin(a-b)	9.80%	9.58%
	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.		
33	LIABILITIES SIDE	Amount Outstanding	Amount Overdue
	1 Loans and advances availed by the NBFCs		
	a. Debentures : Secured	Nil	Nil
	Unsecured	Nil	Nil
	(other than failing within the meaning of public deposits)		
	b. Deferred Credits	Nil	Nil
	c. Term Loans	1,531,531,731	Nil
	d. Inter-corporate loans and borrowing	Nil	Nil
	e. Commercial paper	Nil	Nil
	f. Public Deposits	Nil	Nil
	g. Other Loans (Cash Credit facility)	Nil	Nil
	Total	Nil	Nil
	2 Break-up of (1)(f) above (Outstanding public deposits Inclusive of interest accrued thereon but not paid) :		
	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

		Amount Outstanding (in Rs.)	
3 ASSETS SIDE			
Break-up of Loans and advances including bills receivables (other than those included in (4) below) :			
a. Secured			
b. Unsecured (see schedule)	1,561,955,865		1,561,955,865
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
6. Borrower group-wise classification of all leased assets, stock on hire and Loans and advances :			
Category		Amount net of provisions	
	Secured	Unsecured	Total(in Rs.)
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	1,561,955,865	1,561,955,865

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)
Category		
1 Related Parties	Nil	Nil
a. Subsidiaries	Nil	Nil
b. Companies in the same group	Nil	Nil
c. Other related parties		
2 Other than related parties	Nil	Nil
Total	Nil	Nil
**As per Accounting Standard of ICAI		
8 Other Information:		
Particulars		
I. Gross Non-performing Assets		
a. Related parties	Nil	Nil
b. Other than related parties	10,611,743	10,611,743
II. Net Non-performing Assets		
a. Related parties	Nil	Nil
b. Other than related parties	Nil	Nil
III Assets acquired in satisfaction of debt		
34 PREVIOUS YEAR FIGURES		
Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.		

For SRB & Associates Chartered Accountants Firm Registration No. 31009E  Biswanath Paul (Partner) M. No.068186 UDIN:20068186AAAAKN6943 Place : Kolkata Date : 03/06/2020		For and on behalf of the Board of Directors  Sunanda Kr. Mitra Chairman DIN - 03521074	 Alok Biswas Managing Director DIN - 03141650
		 Arup Kumar Dutta Chief Financial Officer	 Shivani Agarwal Company Secretary M. No:- AU2303