



Janakalyan Financial Services Private Limited



ANNUAL REPORT 2018 - 19

www.janakalyan.net

EVENTS GALLERY



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VISION

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

MISSION

To improve the standards of living of millions of Indians engaged in micro, small and medium enterprises across the country through a wide range of financial services, in a sustainable and transparent manner based on mutual respect and understanding.

VALUE

The values of Janakalyan are encompassed in the word "ACCEPT"

Values of Janakalyan

- A - Accountability
- C - Commitment
- C - Customer centricity
- E - Ethics
- P - Professionalism
- T - Transparency and Team Work

Message from the Chairman



Dear Shareholders, On behalf of the Board of Directors, I extend a warm welcome to you all to the 3rd Annual General Meeting of your Company. I am pleased to report the achievements of your company during the second full year of its operations. Despite challenges in the

environment in which we operate, your Company has delivered a much improved operational and financial performance. The year closed with Asset Under Management (AUM) at ₹152.71 cr., translating into a year-on-year growth of 93% over previous year's AUM of ₹ 79.09 cr. I feel proud to share with you that Janakalyan has emerged as one of the fastest growing new MFIs in Eastern India and within two years of operations has moved into the category of "Medium Sized NBFC-MFI" as defined by MFIN basis the AUM size. This certainly would help us to move forward with both confidence and conviction.

The growth in AUM has been contributed to a large measure by the new business tie-up with Utkarsh Small Finance Bank as its Business Correspondent (BC). Janakalyan has identified several branches through which the loans under this arrangement are being disbursed. The tie-up has helped us to shore up our fee income apart from sustaining our business growth. This

was the second BC tie-up for the Company and the first one with a Bank.

During the year, your Company has extended its footprints to 20 new branches, taking the total network size to 55 branches spread over four States. We have successfully added nearly 25,000 rural women as our new borrowers, taking the total number of assisted customers to just under 88,000 as on March 2019. These women from the poor communities are being served in a responsible manner with dignity and due care by a dedicated team of 325 employees, a good 40% of whom are women themselves.

Your Company lays great emphasis on building and capacity enhancement of the team for sustaining our future growth. Towards this, the year has witnessed new additions in the HR, IT and the Finance teams at Head Office. Regular training programmes have been conducted throughout the year for the new recruits as well as for the existing staff. A total of 294 employees attended various training programmes during the year, which included Induction and Refresher trainings for the junior staff and trainings on Leadership Development, Corporate Governance and Soft Skills for the senior staff. Besides, employees were also nominated to Industry level training programmes at external centres.

Janakalyan's steady performance during the year has been underlined with CARE Ratings reaffirming our rating at BB (Double B; Outlook: Stable). The rating agency has drawn comfort from the fact that the Company has a growing loan portfolio, comfortable asset quality, satisfactory liquidity profile and capital



adequacy ratio etc apart from the quality of our human capital. The Company has received a grading of 'MFI 3+' (MFI Three plus) from CARE Ratings, which is the fourth level on an eight-point scale. The grading is a one-time assessment of a Micro Finance Institution's operational and financial capability to undertake and sustain the targeted level of operations. We hope to bring about continuous improvement in our rating scores in the years ahead as we march on our journey towards excellence.

During the year, your Company has been able to raise fresh equity to the tune of ₹ 10 cr. including investment of ₹ 7.10 cr. of Institutional equity from SIDBI through its Samridhi Fund. The Company has also successfully raised fresh debts of ₹ 111 cr. to fund its growing assets book. The lender base has been diversified by adding eight new lenders including four banks, namely State Bank of India, Bandhan Bank, SIDBI and AU Small Finance Bank. It speaks volumes about our growing credibility vis-a-vis Investors as well as the lending community.

I am happy to inform that besides our core activity of micro-lending, Janakalyan has also been active in undertaking social intervention programmes in the areas surrounding some of our branches. These programmes are by and large focused on Economic empowerment & poverty eradication, Financial inclusion & literacy, Health and nutrition, Borrower leadership and Environmental awareness.

As we close yet one more successful year and embark upon a new one, I wish to assure all the stakeholders on behalf of my management team that your Company will continue to deliver sustainable, predictable and profitable performance in the years to come. The business growth will be supported by a robust governance structure, proper risk management framework and appropriate technology.

Before I conclude, I would like to thank all our customers for entrusting us with their business, our employees for their relentless hard work and commitment and our senior management for the leadership that they have provided in articulating and transmitting down the line the vision and mission as also the core values of the

organisation to their teams. I wish to express our heartfelt gratitude to our Shareholders, lenders, bankers, vendors and business partners for their support and cooperation all through. Finally, I would like to specially thank our Board of Directors, for their continuous support, guidance and encouragement in enabling us to place the organisation on a firm foundation of compliance, ethics, transparency and sound corporate governance. We trust that you will continue to repose your faith and confidence in us.

Warm regards,

SK Mitra
Chairman



Message from the Managing Director



Dear Shareholders,
It is my honour and privilege to take you through the highlights of Janakalyan's performance for FY 2018-19. During this financial year, we continued to expand our operations by adding 20 new branches and by

extending our reach to the state of Jharkhand, taking the network to 55 branches spread over 4 states. The Gross AUM soared to Rs.152.71 cr. from Rs. 79.09 cr. recording a year-on-year growth of 93%, setting a new benchmark for the microfinance industry. The challenges during the year were many but they have emboldened us to handle greater challenges for the years to come. We have stuck to our fundamentals, brought in more efficiency in all our operations, diversified our sources of funds and funding strategy and have evolved our services around the needs of our customers. It is heartening to note that four new banks viz. State Bank of India, AU Small Finance Bank, Bandhan Bank and SIDBI have extended financial assistance to your company during the year.

Behind all our initiatives, wellbeing of customers has remained central. We continue to grow with a vision to have 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 tiny businesses with the support of our group lending products now aspire to become entrepreneurs. We are thankful to Utkarsh Small Finance 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.

The Financial Year 2018-19 was a significant one for all of us, as transformation at the microfinance landscape was taking place with mainstream Universal Banks entering this space through acquisitions, mergers and through BC model while many NBFC-MFI also have become BCs of Small Finance Banks. SFBs have started diversifying into the 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 the 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 in this growth is back after a brief lull post demonetisation. Our company continues to focus on maintaining profitability, growing its BC portfolio and maintaining exceptional partnerships that we have with Utkarsh Small Finance Bank and other Financial Institutions. We will continue our growth in new geography and ensure that we remain customer centric and utilise most effectively our risk management skills, client sourcing and technology capabilities with far better efficiency and agility. This



would not have happened without the support and encouragement of all our stakeholders. The financial inclusion landscape of India, in which our business operates, only 8% adults have borrowed from a formal, licensed financial institution out of the 42.4% who have borrowed overall. Only 8.2% adults have used a formal channel for remittances, merely about 15% of the rural population have life insurance cover and 18.9% of the total rural population receives any pension, over 38.5% of the total bank accounts are inactive while 80% plus population have a bank account. Only 33.6% of adults have saved any money in their life with only 11.2% for old age (Source: Global FINDEX data from the World Bank 2018 & NABARD Financial Inclusion Survey 2017) Needless to add, with the above numbers, in a country like India with a population of 1.3+ billion, the scope for financial inclusion is large and we all are striving to the mission of making it happen.

Janakalyan's Board of Directors continue to be a constant source of guidance for us, while ensuring robust corporate governance. We are delighted to have Mr. Asok Kumar Das, former Managing Director, West Bengal Industrial Finance Corporation and former Deputy Managing Director of State Bank of India to join us as an Independent Director. Janakalyan's Board clearly plays the key role in guiding the management and charting out the future path for the organisation in an exciting and conducive external environment. Our enduring belief is that the business of Financial Inclusion offers immense opportunities to create an impact on the progress of the country. The year 2018-19 has been a landmark year for the company in many respects. Janakalyan has been able to cross a milestone of INR 150 cr. portfolio with its presence in 4 Eastern Indian states with low per capita income within a short span of two years. We closed the year with a revenue of INR 23.27 cr., PAT of INR 0.90 cr. and a significantly better OPEX at 7.53% for the year. During this year SIDBI Samridhi Fund invested Rs. 7.10 cr. which reflects their trust in your company. We have significantly improved our technology capabilities by upgrading the integrated software which will support Mobile Application, Loan Origination System and analytical efficiencies.

We head confidently into the next wave of innovation

and transformation in the small business and microfinance space with strong investments in people and technology.

Our key focus areas for the year 2019-20 would include managing the business growth better with continued and improved focus on quality across business lines and better employee engagement. We would continue to explore avenues to raise capital and to continue with initiatives aligned to our Mission statement. I wish to thank each of our customers for their valuable business relationship with us and recognize their remarkable contribution. The happy and content faces of our clients have always inspired us to reach out for more and bring about changes to new lives.

This gives me an opportunity to thank our 325 plus employees for their relentless hard work throughout the year, our shareholders 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 at all level.

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

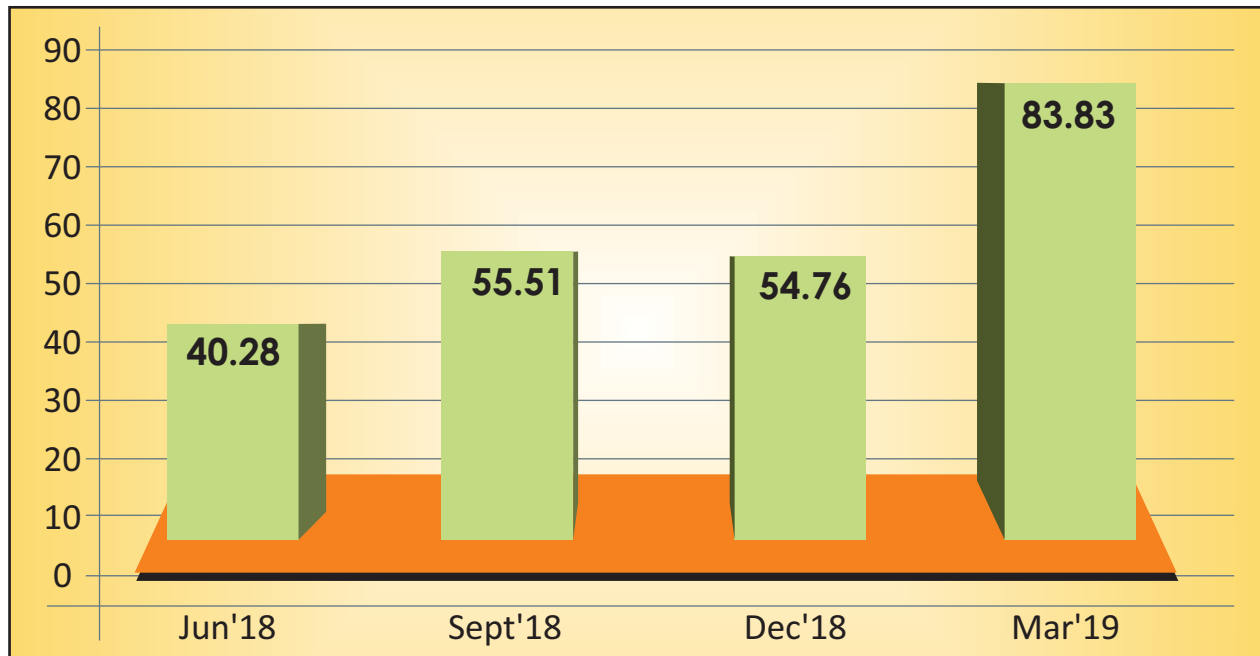
Alok Biswas

Managing Director

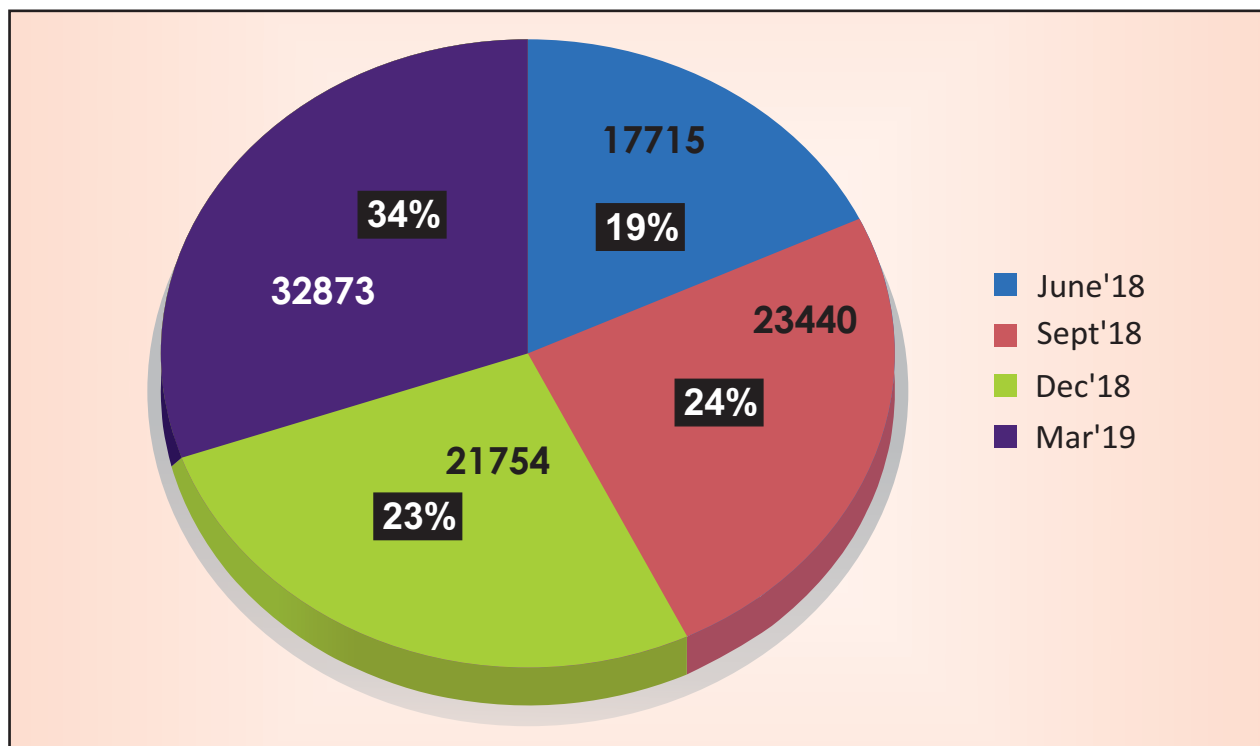
Financial Highlights



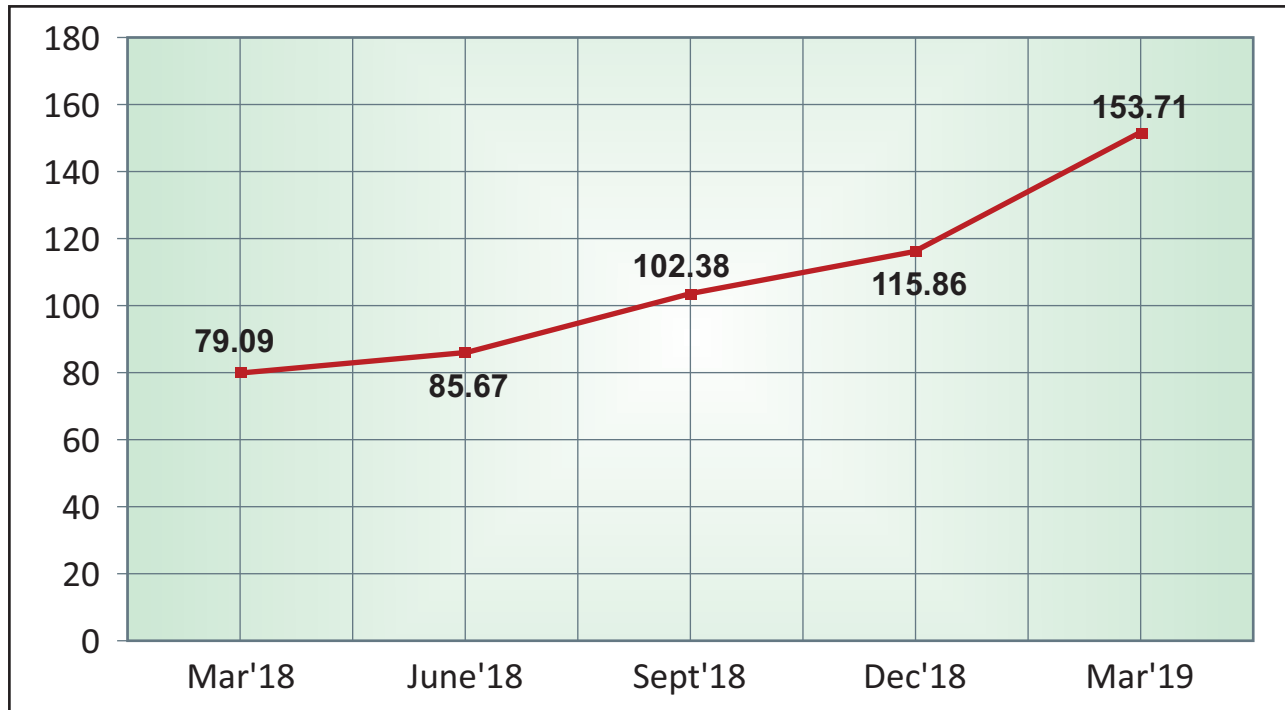
Loan Amount Disbursed (crore)



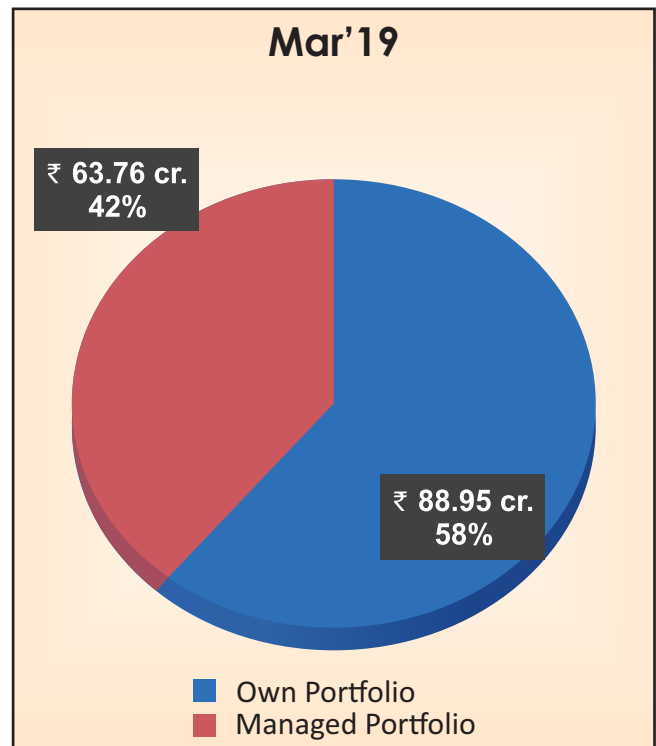
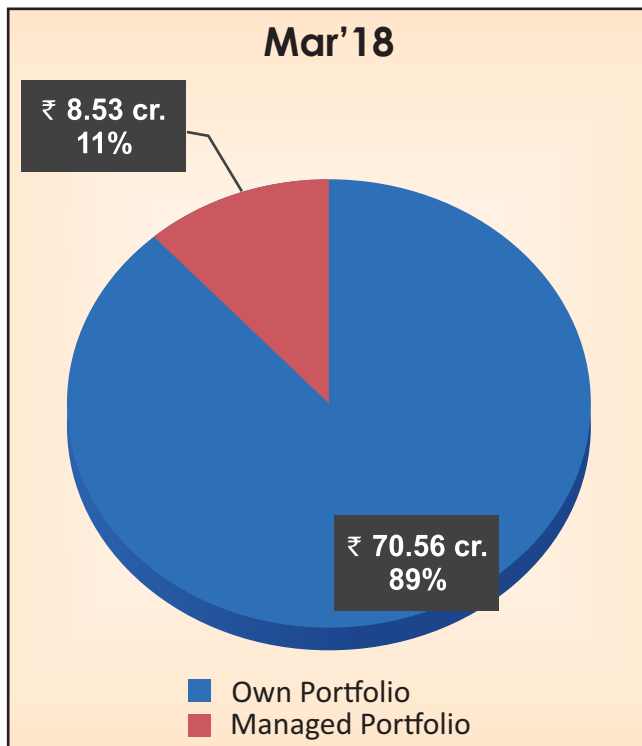
Number of Loans Disbursed



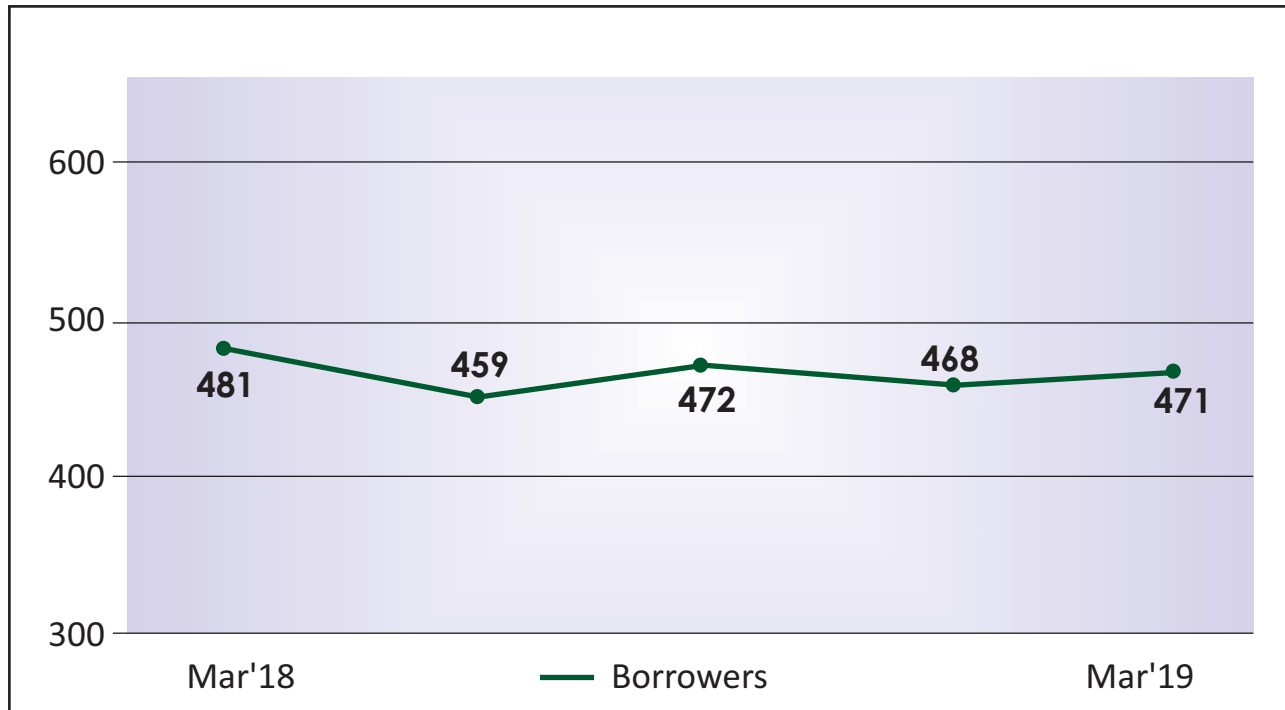
Portfolio Growth (₹ crore)



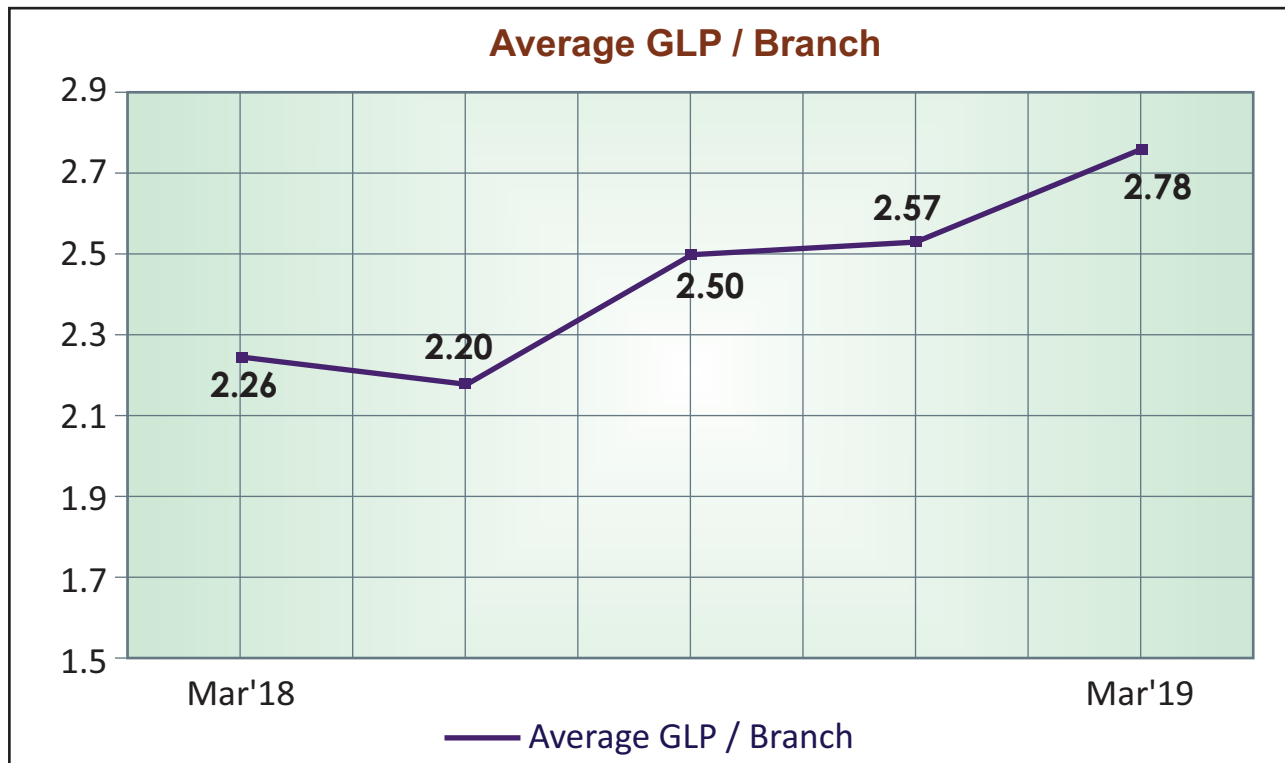
Portfolio : Own vs Managed



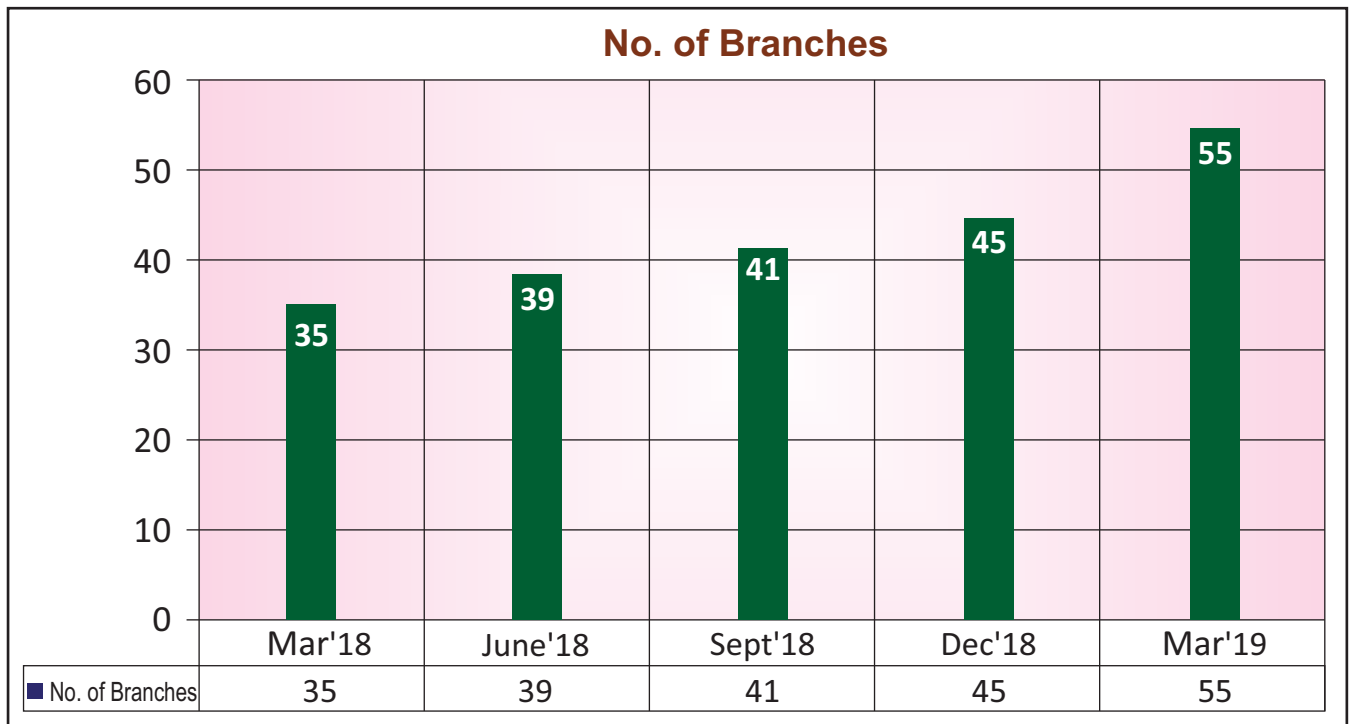
Borrowers Per Field Officer



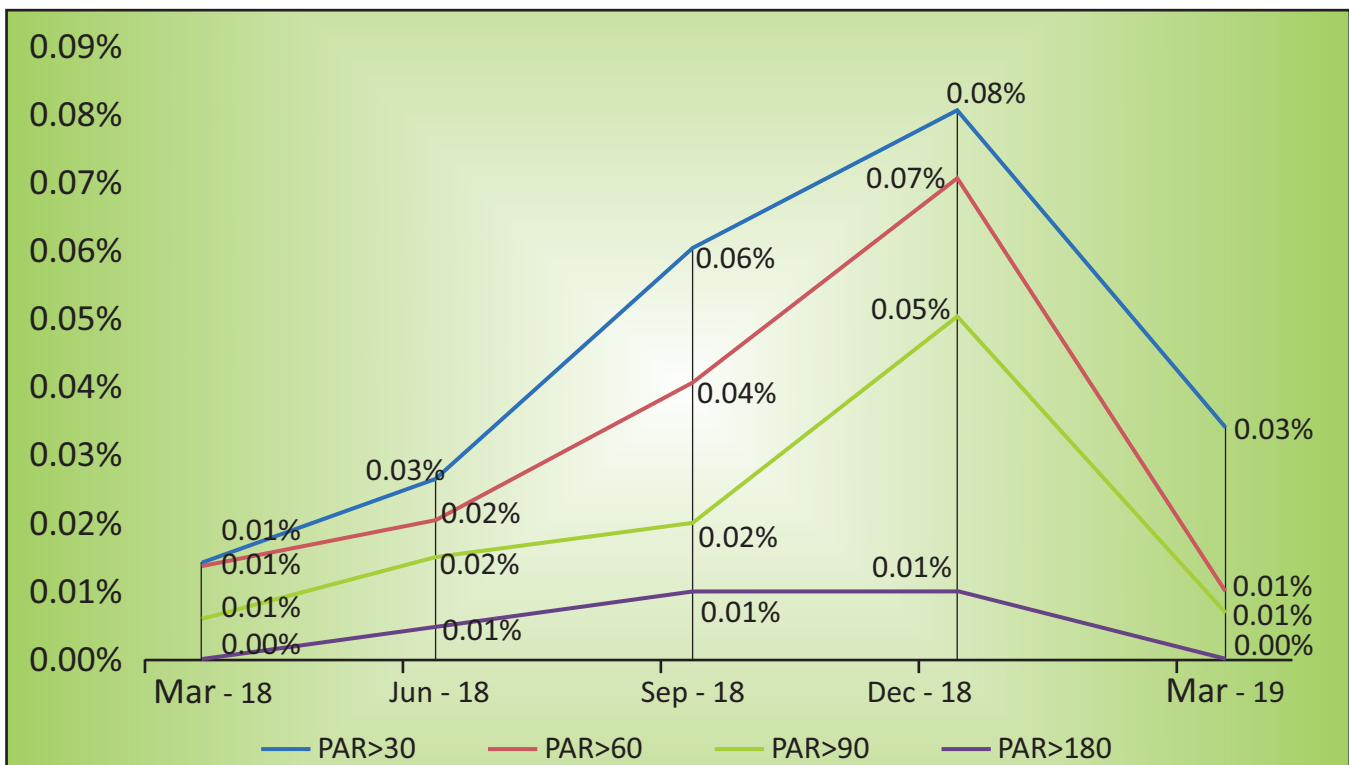
Average GLP Per Branch (₹ crore)



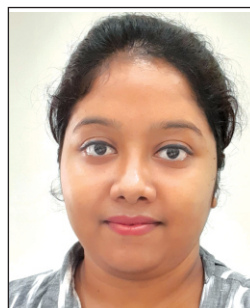
Growth of Branch Network



PAR Status



Staff Members of Head Office



Board of Directors



Mr. S. K. Mitra
Promoter, Whole
Time Director

Mr. S.K. Mitra is the Promoter & Director of the Company. He started his professional career with SBI in 1974 and has commercial banking experience of over 40 years as under. On leaving SBI Joined UTI Bank (Subsequently renamed Axis Bank) as DGM (Credit) in early 1995 and continued till superannuation in 2013, the last assignment being President & Country Head – Distribution. Assignments include Branch Head of Kolkata Main Branch, Zonal Head, Eastern Zone and National Head of Rural Banking and Distribution in Mumbai Corporate office. Post retirement, joined Bandhan Bank as Business Head to oversee the transformation of the NBFC to a full-fledged Scheduled Commercial Bank in August, 2015.

Mr. Mitra is an alumnus of Delhi University from where he graduated in 1973 and is an Associate of the Indian Institute of Bankers, Mumbai. He has been trained at State Bank Staff College, Hyderabad, MDI, Gurgaon, INSEAD, Paris, IIM, Ahmedabad and NIBM, Pune.



Mr. Alok Biswas
Promoter
Managing Director

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. Started his career with Canara Bank (1989-1993) and worked in rural credit in remote villages of West Bengal, especially in developmental schemes. Joined Indian Bank in June 1993 and worked there till 2001. Joined UTI Bank (subsequently renamed Axis Bank) in September, 2001 and worked there till June, 2010, the last assignment being as Vice President & Cluster Head in charge of Odisha, Chattisgarh and Jharkhand. Started Jagaran Microfin Private Ltd in December, 2010 as founder MD (2010-2016), leading it to become one of the market leaders in West Bengal, with Rs 175 Cr of loan portfolio, presence in six States in Eastern India with excellent repayment and profitability track record as also strong operational efficiency.



Ms. Bani Saraswati
Independent Director

Ms. Bani Saraswati, is a social entrepreneur and transformer with experience of over 42 years in sustainable development, micro finance programmes, women empowerment, educational support etc. to improve the quality of life in and around rural West Bengal, specially in Nadia District.

She is the principal architect and Secretary of SreemaMahila Samity (SMS), an NGO based in Duttapulia, established in 1972. SreemaMahila Samity (SMS), to fulfill its vision and mission, for the poor and marginalized while keeping focus on women and children. In pursuit of its mission, SMS has contributed significantly in the 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 counselling etc.

Ms. Saraswati is an Arts graduate (Honours), holds a Basic Training (B.T.) in Education.



Mr. Biswamohan Mahapatra
Independent Director

Mr. Biswamohan Mahapatra is a career central banker, spanning over 33 years in the Reserve Bank of India and retired as its Executive Director at the end of August 2014.

He is currently an Independent director in Gruh Finance Limited, Edelweiss Financial Services Limited and HDFC Credila Financial Services Private Limited, ECL Finance Limited and Ujjivan Small Finance Bank and National Payments Corporation of India (NPCI)

Mr. Mahapatra is a Master of Science in Management and has done a Master in Business Administration and Master in Arts.



Mr. Atanu Sen
Independent Director

Mr. Atanu Sen is a Post Graduate in Economics from Calcutta University. Mr. Sen served State Bank of India with distinction 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. Shri Sen has wide-ranging experience in commercial banking and finance including Credit and Risk Management, Infrastructure financing, International Banking and Banking Operations and Administration. He is currently engaged as a Sr Advisor in Deloitte ToucheTohmatsu LLP and is/was Director in a few companies including Punjab & Sind Bank and as a Trustee of National Pension Scheme. Shri Sen has exposure in executive training in leading Institutes across the world such as Wharton University of Pennsylvania, Asian Institute of Management, Manila and BPP London.

Senior Management Team



Arup Kumar Dutta
Chief Financial Officer

Arup Kumar Dutta, Chief Financial Officer has 27 years of experience in the financial sector. His last assignment was with Utkarsh Small Finance Bank as Head-Liabilities where he played a key role in its transformation from NBFC-MFI into a Small Finance Bank. Previously, he has worked with Axis Bank in senior profiles in retail and corporate banking and UTIAMC. 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 Medalist) and JAIIB (IIB&F, Mumbai).



Sukumar Biswas
General Manager (Operations)

Sukumar Biswas, General Manager (Operations) heads the Operation Department, having work experience in microfinance sector for more than 28 years (including 5 years in the area of credit plus management) with BRAC, Bangladesh, BANDHAN Financial Services and JAGARAN Microfin Private Limited. Prior to joining Janakalyan, he was the Operation Head of Jagaran Microfin. He has rich management experience in executing different programs in the areas of education, self-help group promotion, primary health care, disaster management, vocational training, water & sanitation, social welfare. He is an M. Com in Accounting.



Chandramouli Sarkar
General Manager (Finance)

Chandramouli Sarkar, General Manager (Finance) is an alumnus of Presidency College, Kolkata and Indian Institute of Management, Calcutta. He has more than 30 years of banking experience in leading banks like Canara Bank, Global Trust Bank, Axis Bank and ESAF Small Finance Bank, He was Regional Head of Credit, Kolkata in Global Trust Bank, Vice President, Retail Banking Operations in Axis Bank and Zonal Head-East in ESAF Small Finance Bank. He also has experience of about four years in Microfinance which includes a stint of more than a year in Jagaran Microfin Private Limited as President- Operations & Funds. 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.



Utpal Kumar Bose
General Manager
(Head - HR, Admin & IT)

Utpal Kumar Bose, General Manager (Head - HR, Admin & IT) has 35 years of experience in Commercial Banking including last four years in microfinance. He has in depth domain knowledge of branch banking, Retail/ MSME lending and regulatory compliances as also industrial relations. He is a Science graduate from Calcutta University.



Monoranjan Roy
General Manager (Accounts)

Monoranjan Roy, General Manager (Accounts), was a Central Banker and former Assistant General Manager of Reserve Bank of India. Mr. Roy has worked with Reserve Bank of India for more than three decades and has handled several roles in the areas of Banking Regulations & Supervision, Non-banking Regulation & Supervision, Currency Management, ICCOMS / Accounts, etc. He has earned a Masters in Commerce (First Class) from University of Calcutta and is a qualified Cost Accountant. He is also as Associate Member of Institute of Costs and Works Accounts of India i.e. AICWA. Now the same is renamed as ACMA. He is a Certified Associate of Indian Institute of Bankers (CAIIB) from Indian Institute of Banking and Finance and is a life member of the Institute.



Dr Swapan K Sinha
Head- Training & Development

Dr Swapan K Sinha, Head- Training & Development completed his doctorate in Sociology from Calcutta University worked in RBI & NABARD for over three decades and retired from NABARD as Asstt. General Manager. He has also worked in Bandhan & Jagaran Microfin Pvt Ltd. He has vast knowledge of microfinance industry and extensive experience of training various stakeholders in the sector.



Amal Kumar Mapa
Head – Internal Inspection

Amal Kumar Mapa, Head – Internal Inspection holds post graduate degree in Agricultural Science from Kalyani University. Joined as an officer in United Bank of India and served there for 30 years in different capacities in branches and head office of the bank. He was assigned mostly to priority sector lending branches. Shri Mapa also associated himself in social sector as an advisor to Sreema Mahila Samity and worked there for 17 years to oversee the activity related to micro-finance, SHG formation, nature & capacity building and women Empowerment.



Paresh Chandra Singha
Zonal Head (North Bengal & Bihar)

Paresh Chandra Singha, Zonal Head (North Bengal & Bihar) has more than a decade's experience in microfinance business, acquired during his stints with Bandhan Financial Services Private Limited and Jagaran Microfin Private Limited, Kolkata. He has earlier worked as Regional Manager in Jagaran. He has successfully managed around 30 Branches across multiple States in India and has gained rich experience. He is an Honours graduate from Uttar Banga University, West Bengal.



Sudhir Ghosh
Assistant General Manager (Operations)

Sudhir Ghosh, Assistant General Manager (Operations) has 14 years experience in Microfinance Industry at various levels. Starting his career from “ Bandhan” as Credit Officer, he rose to the grade of Divisional Manager and subsequently worked in Jagaran Microfin Pvt Ltd.” as Senior Regional Manager .He is a Graduate in Arts from Kalyani University



Debesh Gon
Zonal Head (Duttapulia)

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



Anindita Chanda
Company Secretary &
Compliance Officer

Anindita Chanda, Company Secretary & Compliance Officer is an Associate Member of the Institute of Company Secretaries of India and also an M.Sc. from the University of Burdwan having been placed in the First Class in both B.Sc.(Hons.) and M.Sc. She has completed her Company Secretary Management Training from DIC India Ltd, a listed MNC.

Glimpses of Meeting & Office Celebration





Management Discussion & Analysis

1. Introduction

- 1.1 Janakalyan completed its second full year of operation as on 31st March, 2019. During the year, the Company disbursed ₹234.38 crore loan through 95,796 loan accounts. The loan amount disbursed grew by 68% over the previous year. As a result, the Asset Under Management (AUM) grew to ₹152.71 cr., translating into a year-on-year growth of 93% over previous March AUM of ₹79.09 cr. The Company opened 20 new branches, taking the total network size to 55 branches spread over four States and 14 Districts.
- 1.2 The growth in AUM has been the result of stabilisation of business across the branches and the new business tie-up with Utkarsh Small Finance Bank as its Business Correspondent. Janakalyan has identified 12 branches in the State of West Bengal through which the loans under this arrangement are being disbursed. Total amount so disbursed and the outstanding portfolio stood at ₹46.65 crore and ₹39.75 crore respectively.
- 1.3 Despite the liquidity crisis affecting the NBFC sector, the Company has been able to raise adequate resources, both equity as well as debt 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

- 2.1 The year witnessed a major crisis in Infrastructure Leasing & Financial Services (IL&FS) that adversely impacted the liquidity in the NBFC sector. The small and medium MFIs that count NBFCs as a major source of borrowing were hit hard by the liquidity crunch with banks and mutual funds having reduced their exposure to the sector ever since the IL&FS crisis broke out. The larger MFIs (AUM > ₹1000 crore) were able to tide over this liquidity crisis as they were able to raise necessary debt from banks. However, the small- and medium-sized MFIs were affected with this structural shift as banks became more selective while sanctioning loans to the sector. As a consequence, the cost of borrowing for such MFIs went up considerably during the later part of the fiscal.
- 2.2 During FY19, microfinance industry in India showed consistent, regionally-balanced and resilient growth. The industry showed its mettle by growing steadily in spite of liquidity squeeze



that all NBFCs including MFIs faced from Q3 onwards and natural calamities in some of the geographies.

- 2.3 MFIs continued to expand their reach and add new clients, in the post-demonetisation period. There was greater focus on client retention (by offering higher ticket sizes) and eliminating delinquent clients. Apart from the growth in loan size and loan accounts, there was significant rise in the staff employed in NBFC-MFIs, which grew by 34% y-o-y basis.
- 2.4 As per the statistics released by Microfinance Institutions Network (MFIN), as on 31st March, 2019, the microfinance industry's gross loan portfolio (GLP) stood at ₹1,87,386 crore, reflecting a y-o-y growth of 38% and the total number of microfinance accounts stood at 9.33 crore showing a y-o-y growth of 21.9%.
- 2.5 The aggregated GLP of NBFC-MFIs also grew by 47 per cent y-o-y and stood at ₹68,207 crore at the close of FY19. The NBFC-MFI sector held the largest share of portfolio in micro-credit, which was 36.39 per cent of total micro-credit universe. Eastern India's pace of growth continued, with Bihar and Odisha now ranked 2 and 3 in State-wise ranking.
- 2.6 In terms of regional distribution of portfolio (GLP), East and North East accounted for 38 per cent of the total NBFC MFI portfolio, South 24 per cent, North 14 per cent, West 15 per cent and Central contributes 9 per cent.
- 2.7 According to MFIN, during FY19, NBFC-MFIs received a total of ₹35,759 crore in debt funding (from banks and other financial institutions). This represents a growth of 63 per cent compared to 2017-18. Total equity grew by 42 per cent during the same period to Rs 14,206 crore. However, more than 90% of the capital raised in FY2019 was by the MFIs with AUMs of greater than ₹1,000 crore.

3. Operations

- 3.1 During the year, the Company commenced its operations in Jharkhand, taking the total number of States covered to four. Of the 20 new branches opened, 19 were opened in the States of Bihar, Odisha and Jharkhand and one in West Bengal. This was consciously done with a view to mitigate the risks arising out of geographical concentration. Two new States, namely Assam and Tripura are proposed to be covered in the next financial year.

- 3.2 A total of 95,796 loans were disbursed during the year, taking the total number of loan accounts outstanding at the end of the year to 90,365. Number of loans and portfolio outstanding have increased during the year by 27,871 and ₹ 73.62 crore respectively. The yearly growth has been considerably higher than the previous year. In terms of portfolio mix, while Janakalyan's own book grew by ₹18.39 crore to ₹ 88.95 crore (58% of AUM), the BC portfolio grew sharply by ₹ 57.04 crore to close at ₹63.76 crore (42% of AUM) as on 31st March, 2019.
- 3.3 The portfolio quality continued to be robust with Portfolio at Risk (PAR) well controlled. While PAR 30 stood at 0.03% of the total portfolio, PAR 90 stood at 0.01% (₹ 1.05 lakh. in absolute terms). In accordance with the regulatory guidelines, provision of 1% has been made on the aggregate loan portfolio.
- 3.4 The top five branches in terms of number of loans disbursed were Kishanganj Kochadhaman, Routa, Altahat and Karnajora. With regards to loan amount disbursed, the top five branches were Kishanganj, Routa, Kochadhaman, Altahat and Ranaghat. Kishanganj, the top branch, disbursed ₹ 11.64 crore during the year.
- 3.5 The Company continued to focus on rationalizing operating expenses through improvements in operating efficiency and employee productivity. As a result, Operating Expenses Ratio (OER) declined to 7.53% as on 31st March, 2019 from 11.32% the year before.
- 3.6 Branch productivity also witnessed a growth during the year with loan outstanding per branch increasing from ₹ 2.26 crore to ₹ 2.78 crore as on 31st March, 2019. However, Borrowers per Field Officer (FO) marginally declined to 471 from 481 the year before mainly due to significant increase in the number of FOs to 192 from 130.
- 3.7 As a matter of prudent practice, the Company regularly benchmarks its operational efficiency metrics such as Gross Loan Portfolio (GLP) per Loan Officer, GLP per branch and employee productivity with the peers in the industry. Despite a much shorter legacy, Janakalyan's employee productivity metrics have been above the peer average.

4. Financial Results

- 4.1 The financial results of the Company as on 31st March, 2019 were quite encouraging. The



Company recorded a Profit before Tax (PBT) of ₹137.91 lacs and Profit after Tax (PAT) of ₹ 90.02 lacs as on 31st March, 2019. The PAT grew 3.8X over the previous FY. The Networth of the Company grew by ₹ 12.43 crore to ₹ 24.73 crore during the year as a result of fresh equity infusion to the tune of ₹10 cr. including investment of ₹7.10 cr. of Institutional equity from SIDBI through its Samridhi Fund.

- 4.2 During the year, the Company raised fresh debt to the tune of ₹ 111 crore in order to fund its growing asset book. Efforts were continually made to bring down the overall cost of borrowing. As a result, the Financial Expenses Ratio (FER) declined to 14.05% as on 31st March, 2019 from 15.39% a year before.
- 4.3 With interest income yield on own portfolio at 24.21% and the Effective Cost of Borrowing (as per RBI formula) at 15.58%, the margin stood at 8.63%, well below the RBI stipulated margin cap of 10%. While the Net Interest Income (NII) grew by nearly 101% to ₹ 6.71 crore, the Net Interest Margin (NIM) declined by 100 bps to 8.41% mainly on account of low growth of own portfolio.
- 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, 2019, the Capital to Risk Adjusted Assets (CRAR) was at a healthy 29.59% against the regulatory requirement of 15%. While the Tier I Capital stood at 26.08%, Tier II Capital was at 3.51%.

5. Rating & Grading

CARE Ratings has reaffirmed Janakalyan's rating at BB (Double B; Outlook: Stable). The rating agency has taken cognizance of the fact that the Company has a growing loan portfolio, comfortable asset quality, satisfactory liquidity profile and capital adequacy ratio. In view of the consistent performance across various operational and financial parameters, the Company is hopeful of an upgrade of the rating to investment grade in the next FY. The Company has also been graded as 'MFI 3+' (MFI Three plus) by CARE Ratings, which is the fourth level on an eight-point scale. The grading is a one-time assessment of a Micro Finance Institution's operational and financial capability to undertake and sustain the targeted level of operations.

6. Human Resources

- 6.1 The Company lays special emphasis on building

its human capital through proper and timely recruitment of employees, and thereafter managing the entire employee life-cycle as per the laid down HR policy. All the newly joined employees in the role of Field Officer are imparted Induction Training to make them familiar with the Company and job role. The older employees are provided Refresher Trainings at periodic intervals. The senior employees were provided trainings on Leadership Development, Corporate Governance and Soft Skills. A total of 294 employees attended various training programmes during the year.

- 6.2 The Company has a robust Performance Management System (PMS), which forms the basis for performance evaluation & rating and consequent HR action, like increment and promotion.
- 6.3 As on 31st March, 2019, the employee strength stood at 325 out of which 103 were female employees. A total of 99 employees were recruited during the year.

7. Risk Management

- 7.1 The Company has a Board approved Risk Management Policy. The Board periodically reviews the risks faced by the Company and the systems and procedures in place to manage the same.
- 7.2 Microfinance institutions face a number of risks that may adversely impact their financial viability and long-term sustainability. The three key risks identified by the Company amongst others are Credit Risk, Market Risk and Operational Risk.
- 7.3 The credit risk is managed by ensuring careful selection of borrowers, their repayment capacity and the proposed end use of funds. Client over-indebtedness is prevented by credit bureau check and scrupulously adhering to the MFIN Code of Conduct promoting responsible lending by MFIs. The Company also follows a prudent provisioning policy which is even more rigorous than the regulatory norms applicable to MFIs.
- 7.4 The market risk faced by the MFI industry has two broad components; Liquidity Risk and ALM Risk. Liquidity risk usually 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. The ALM Risk is mitigated by ensuring matched funding without any adverse mismatch in structural liquidity.

- 7.5 The Company has adopted a conservative policy related to financial gearing with Debt/Equity ratio standing at 4.56 as on 31st March, 2019.
- 7.6 Operational risk arises from human or system related error during product delivery and services. 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.

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 has three components of evaluation, viz., Process Management, Pre-Disbursement Check (PDC) and Loan Utilization Check (LUC). Process Management is a software driven online process to evaluate the branch functioning. It has 51 pre-set parameters covering seven broad areas of branch functioning. With the help of this tool, result of evaluation of branch functioning is available online to the officials having necessary access. In course of inspection, the inspecting officials examine/scrutinize all available records, books and evidences, identify and record all significant departures, deficiencies, irregularities and bring them to the notice of the branch officials for instant rectification. Irregularities beyond instant rectification are left to the branches for compliance within a time frame of 10 days.
- 8.2 A total of 46 branches were inspected during the year out of which, 20 were rated AA and 25 were rated A. In terms of rectification of inspection irregularities, 11 branches recorded 100% compliance while 32 branches recorded between 90 to less than 100% compliance.

9. Information Technology

- 9.1 The Company has progressively leveraged technology to automate various processes and thereby put in place effective control mechanisms. This has led to enhanced employee productivity, greater efficiency, lower cost of transaction and timely MIS.
- 9.2 Network security is an important concern area in the today's environment. The same has been enhanced with the setting up of firewalls, which will be critical in blocking malicious traffic like viruses and hackers emanating from external sources. Also, necessary upgradation of the domain server (web mail) was effected during the year.
- 9.3 Work continued towards the complete implementation of the 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.

10. Social Welfare Initiatives

- 10.1 Janakalyan continued to demonstrate its commitment to social welfare initiatives and interventions within its area of operation. These programmes were focused on Economic empowerment & poverty eradication, Financial inclusion & literacy, Health and nutrition, Borrower leadership and Environmental awareness. Most of these programmes were focused on value addition through knowledge.
- 10.2 During the year, the Company conducted several financial literacy campaigns to create awareness amongst the women. 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 A camp was organized by the Company to facilitate blood group test in Madhyamgram. An eye checkup and cataract detection camp were held in the Bongaon branch of the Company on 5th September, 2018. A team of eye specialists from Susrut Eye Hospital & Research Centre, Salt Lake, Kolkata were present to attend to the visiting group members and also the local residents. The doctors had brought in sophisticated eye examination tools for the purpose. They also took time to educate the attending people on ways to improve access to



eye care services. More than 50 men and women attended the camp. Patients detected with cataract were advised to get free surgery from the Susrut Hospital at Salt Lake. Those with eye problems were given referral slips for treatment at the hospital.

- 10.4 A free oral and breast cancer screening and awareness camp was organized at Bagda Panchayat on 28th August 2018 by the Company in collaboration with Rabindranath Tagore International Institute of Cardiac Sciences and Narayana Multispecialty Hospital. Among the participants in the Health camp were 85 women group members and 24 other male participants.
- 10.5 An environment awareness programme was organized at Duttaphulia on 5th June 2018. Several environmentalists participated in the programme. An oath was taken to stop the use of plastics.
- 10.6 In order to encourage the playing of various sports and its linkage to good health, the Annual Sports was held on 16th February, 2019 for Janakalyan's women borrowers at Shantipur - Ramnagar playground. There was great deal of excitement amongst the participants. About 115 borrowers competed on different events like Biscuit Race, Marble Spoon Race, Musical Chair, etc. Attractive prizes were given to the winners.
- 10.7 The International Women's Day on 8th March was celebrated jointly by Sreema Mahila Samity and Janakalyan. The programme was held at Duttaphulia and attended by a large number of women borrowers. The programme was inaugurated by Smt. Bani Saraswati, Board Member of Janakalyan and also Secretary of Sreema Mahila Samity by lighting the inaugural lamp in the presence of noted personalities and social activists. Speaking on the occasion she narrated how women become successful entrepreneurs after receiving financial support from Janakalyan. Few such successful women entrepreneurs narrated their journey.

11. Outlook and Challenges

The overall outlook for the microfinance industry continues to be encouraging and positive. The need for intermediation and financial inclusion at the grass root level will continue to be a major driver for this business, particularly in the "Low Income States" of Eastern and North-Eastern India. As a strategy, Janakalyan has chosen to operate in this region and therefore, is well poised to leverage the opportunities present. Besides microfinance, there is enormous scope

for MSME, Affordable Housing and Education loans for the MFIs. These are small ticket exposures, which are not catered to by the mainstream banks. Janakalyan proposes to enter a few identified business segments like above in the next financial. The diversification of product range will substantially contribute to de-risk the income stream.

The challenges, however, are many. Aggressive lending by banks/MFIs may lead to over-indebtedness of the borrowers and consequent delinquency of the portfolio. It is therefore, important for all the lenders in the microfinance space to diligently adhere to the lending norms prescribed by RBI/MFIN. Secondly, with margin caps put in place by RBI, it is imperative for the Company to keep its finance cost as well as 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. We believe that the Company is fully geared to leverage the opportunities and effectively address the challenges as presented above in the years to come. The Company will continue to pursue a sustainable, predictable and profitable business model that will generate sustainable 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

Alok Biswas
Managing Director
Kolkata,
September 7, 2019

Sunanda Kumar Mitra
Chairman

Glimpses of Branch Opening





Report on Corporate Governance

Mission of Janakalyan is to improve the standards of living of millions of Indians engaged in micro, small and medium enterprises across the country through a wide range of financial services, in a sustainable and transparent manner based on mutual respect and understanding.

Board of Directors

Composition of Board

As on 31st March, 2019, Board comprised of 5 Directors out of which 3 are Independent Directors. The names and categories of Directors and the nature of Directorships as on March 31st 2019 are given below :

Name of the Director	Nature of Directorship	DIN
Mr Sunanda Kumar Mitra	Whole Time Director	03521074
Mr Alok Biswas	Managing Director	03141650
Mr Biswamohan Mahapatra	Independent Director	06990345
Ms Bani Saraswati	Independent Director	03024536
Mr Atanu Sen	Independent Director	05339535

Board Meetings and Attendance

The Board of Directors met 11 Times during the year under review, details of which are given below :

Date of the meeting
May 05, 2018
May 15, 2018
July 13, 2018
August 25, 2018
October 20, 2018
November 04, 2018
November 29, 2018
December 10, 2018
February 04, 2019
March 05, 2019
March 31, 2019

Attendance of Directors at Board Meeting for the FY 2018 - 19

Name of the Director	No. of Meetings Attended
Mr Sunanda Kumar Mitra	09 / 11
Mr Alok Biswas	11 / 11
Mr Biswamohan Mahapatra	04 / 11
Ms Bani Saraswati	05 / 11
Mr Atanu Sen	08 / 09

* Mr. Atanu Sen was inducted on 13. 07. 2018

Committees of the Board

The details of composition of the Committees of the Board of Directors are as under :-

a. Audit Committee

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

During the year the Committee had met five times on May 05,2018, July13, 2018, August 25, 2018, November 29, 2018 and February 4, 2019 respectively.

Attendance of Directors at Audit Committee Meeting for the FY 2018-19

Name of the Director	No. of Meetings Attended
Mr Sunanda Kumar Mitra	5 / 5
Mr Biswamohan Mahapatra	4 / 5
Ms Bani Saraswati	0 / 5
Mr Atanu Sen	3 / 3

* Mr. Atanu Sen was inducted on 13. 07. 2018

b. Nomination & Remuneration Committee

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

During the year the Committee had met once on 13.07.2019

Attendance of Directors at Nomination and Remuneration Committee Meeting for the FY 2018-19

Name of the Director	No. of Meetings Attended
Mr Sunanda Kumar Mitra	1 / 1
Mr Biswamohan Mahapatra	1 / 1
Ms Bani Saraswati	0 / 1
Mr Atanu Sen	0 / 0

* Mr. Atanu Sen was inducted on 13. 07. 2018

c. Corporate Social Responsibility Committee

SL NO.	NAME	CHAIRMAN/MEMBERS
1	Ms Bani Saraswati	Chairman
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.

Annual General Meeting

Details of AGM held during the Year 2017-18

Year	Date	Time	Venue
2018	19.09.2018	11.30 AM	CD-193, 1ST FLOOR, SALT LAKE CITY, KOLKATA - 700 064

Extraordinary General Meeting

Details of EGM held during the Year 2018-19

Year	Date	Time	Venue
2018	22.10.2018	11.30 AM	CD-193, 1ST FLOOR, SALT LAKE CITY, KOLKATA - 700 064
2018	06.11.2018	10.30 AM	CD-193, 1ST FLOOR, SALT LAKE CITY, KOLKATA - 700 064
2018	17.12.2018	03.00 PM	CD-193, 1ST FLOOR, SALT LAKE CITY, KOLKATA - 700 064
2019	30.03.2019	10.00 AM	CD-193, 1ST FLOOR, SALT LAKE CITY, KOLKATA - 700 064



Means of Communication

The Company has an operational website : www.janakalyan.net

General Shareholders' Information

Third Annual General Meeting

Date : 07.09.2019

Time : 11.00 AM

Venue : CD - 193, 1ST FLOOR, SALT LAKE CITY, KOLKATA - 700 064

Financial Year

April 01, 2018 to March 31, 2019

Shareholding Pattern as on 31.03.2019		
Name of the Shareholders	TOTAL	
	No. of Shares	Value
SUNANDA KUMAR MITRA	5227348	52273480
ALOK BISWAS	2280898	22808980
MANICK DEB	775000	7750000
SAMIRAN CHANDA	650000	6500000
SAMIR CHIMANLAL SANGHAVI	808600	8086000
JATIN CHIMANLAL SANGHAVI	641400	6414000
DILIP KR SARAF(HUF)	199800	1998000
DIVYA SARAF	346050	3460500
SAROJ SARAF	346050	3460500
DILIP KR SARAF	346050	3460500
ANUPRIYA SARAF	346050	3460500
LOKNATH AGARWALLA	1359519	13595190
SUJATA MITRA	154514	1545140
JYOTIRMOY SARASWATI	22857	228570
MAYADHAR MAHAKUD	810469	8104690
SUSIM MUKUL DATTA	1230061	12300610
MADHURA MAPA	11428	114280
AMAL KUMAR MAPA		
SIDBI TRUSTEE COMPANY LIMITED-A/C SAMRIDHI FUND	4675471	46754710
Total	20231565	202315650

Address for Correspondence

Janakalyan Financial Services Private Limited

(Formerly : Janakalyan Consultancy & Services Private Limited)

Registered Office : 183/A, Sahid Hemanta Kumar Bose Sarani, Kolkata - 700 074

Head Office: CD-193, 1st Floor, Sector -1, Salt Lake City, Kolkata - 700 064

Tel. No : 033 2337 0123

Email address : info@janakalyan.net Website : www.janakalyan.net

Directors' Report to Members





To
The Members,
Janakalyan Financial Services Private Ltd
(Formerly: Janakalyan Consultancy & Services Private Ltd)

Your Directors have pleasure in presenting the Theird Annual Report together with the audited statement of accounts of the company for the financial year ended 31st March, 2019.

1. Background

The company is engaged in microfinancing activities with a vision for economic upliftment of the underprivileged through financial inclusion by providing micro credit to women in low income groups mostly in rural areas through income generating activities. The Company was incorporated on 27th July,2016 and eventually received the NBFC-MFI registration on 2nd March,2017 from Reserve Bank of India. The figures furnished in the financial statements pertain to the period from 01st April,2018 to 31st March, 2019.

2. Financial Results

Particulars	31st March, 2019 In Rupees	31 st March, 2018 In Rupees
Revenue from Operation	19,32,29,610	11,21,68,604
Other Income	3,94,78,954	45,10,354
Total Revenue	23,27,08,564	11,66,78,958
Expenses		
Employee Benefits Expenses	6,30,89,010	3,28,23,822
Depreciation	14,88,792	6,23,100
Finance Cost	12,89,43,081	6,21,15,978
Other Expenses	2,35,57,175	1,10,62,111
Provisions and Write-Off	18,38,531	70,11,479
Total Expenses	21,89,16,589	11,36,36,490
Profit/Loss before Exceptional and Extraordinary Items and Tax	1,37,91,975	30,42,468
Add : Exceptional Items		-
Profit before Tax	1,37,91,975	30,42,469
Tax Expenses		
Current Tax	32,00,000	6,08,494
Deferred Tax(Asset)/Liability	48,000	62,000
Tax of Earlier Years	15,41,831	-
Total Tax Expenses	47,89,831	6,70,494
Profit for the Year	90,02,144	23,71,974



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3. Summary of Operations and Industry Scenario

Your Company is engaged in providing loans to lower income groups of women. The company has adopted JLG model, primarily with women as Members / Borrowers.

During the year under review, the net revenue from operations of your Company is Rs. 19,32,29,610. For FY 2018-19, your Company's Profit After Tax stood at Rs 90,02,144

55 branches have been made fully operational in West Bengal, Bihar, Jharkhand and Odisha during the year under review covering a total number of 13 Districts in all these three states.

4. Transfer to Reserves

Considering the profit by the Company this year, Rs. 22,74,823 has been transferred to the Statutory Reserve as per Section 45-IC of Reserve Bank of India Act. 1934

5. Dividend

Your Directors have not declared any dividend for this year due to ploughback of profit towards strengthening of network.

6. 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 periodic review of the same in respect of pricing and other issues.

The Central Bank have specified maximum limit of margins and interest rates which can be charged by microfinance institutions (MFIs). It has also put in place a fair practice code and have stipulated acceptable and reasonable methods of recovery of loans by MFIs through various Circulars 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 code. Its lending rate has been linked to the estimated long-term operating cost target rather than current cost.

As a policy, Janakalyan extends loans only to women who are engaged in economic activities thereby ensuring that the money is used for productive purpose. Most of the loan 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 group formation stage and verifies if the details are accurate by cross checking so that no loan is permitted in cases where annual income level is over 1,00,000 in rural areas and 1,60,000 in urban areas.

7. Details of significant and material orders passed by the regulators or courts or tribunals impacting the current status and Company's operations in future

There have been no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the present status and the Company's future operations.

The Company has formed a separate Audit Committee with additional responsibility of Risk Management chaired by an Independent Director to ensure the desired level of Corporate Governance in the Company.



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8. Details of Subsidiary/ Joint Ventures/ Associate Companies

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

9. Deposits

The company has not received or accepted any deposit and has strictly maintained its non-acceptance of public Deposit NBFC status. The financials do not contain any figures that come under the classification of deposits as specified under Chapter V of Companies Act, 2013.

10. Our Customers :

All our customers are women belonging to the under privileged sections of rural, semi urban and urban population striving to improve their standard of living and economic status.

11. Direct beneficiaries :

Your Company provides small loans to only women beneficiaries who are engaged in income generating activities and having necessary repayment capacity and they are direct beneficiaries. The income generated out of the business activities directly contribute to their family income.

12. Indirect beneficiaries :

Indirect beneficiaries are entities such as the raw material suppliers, other traders, logistic suppliers and family members of the borrowers, other members of the community.

13. Our Product

Loan Product Name	Loan Amount	Interest Rate	Repayment Period
Kalyan	10000-30000	25.16%	12 Months
Sushiksha	10000-20000	24.63%	12 Months
Sushakti	2400-5400	24.50%	9 Months
Unnati	40000	25.75%	24 Months

14. RBI Guidelines

Your Company complies with all applicable regulations of the Reserve Bank of India. Consistent with NBFC-MFIs guidelines, the Directors hereby confirm that the Company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

Your company is registered as an approved NBFC-MFI with Reserve Bank of India, Kolkata effective from 2nd March, 2017.

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

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



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15. Capital Adequacy

The capital adequacy ratio was 29.59% as on March 31, 2019. The Net Owned Funds (NOF) as on that date was Rs 24.59 crores as against the minimum capital adequacy requirement stipulated for the company by RBI of 15 % of its aggregate risk weighted assets.

16. Prospects

The microfinance industry's gross loan portfolio (GLP) stood at ₹1,87,386 crore at the end of March '19, up 38 per cent year-on-year.

The total number of microfinance accounts was 9.33 crore at the end of March 2019, showing a growth of 21.9 per cent.

Non-Banking Finance Company-Microfinance Institutions (NBFC-MFIs) hold the largest share of portfolio in micro-credit with the total loan outstanding of ₹68,868 crore, which is 36.8 per cent of total micro-credit universe and 47 per cent year-on-year growth compared to March 2018.

Financial Sector wise portfolio outstanding are given hereunder for your reference as on March 31, 2019 :-

Type of Entity	No of Entities	Loan Accounts (Cr)	Portfolio Outstanding (Rs. Cr)
NBFC-MFIs	82	4.13	68,868
Banks	11	2.33	61,046
SFBs	9	1.74	34,679
NBFCs	42	1.02	20,681
Others	48	0.11	2,112
Total	192	9.33	1,87,386

Eastern India's growth continues, with Bihar and Odisha now ranked 2 and 3 in terms of States.

In 2018-19, NBFC-MFIs received a total of ₹35,759 crore in debt funding (from banks and other financial institutions).

The Company would continue to strive to reach out its operations to more and more under-served clients and help them access credit on reasonable terms. Company also plans to expand through branches in low income states (LIS), like in the North Eastern State Assam and Tripura in near future.

17. Capital Status

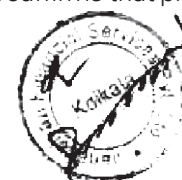
Your company mobilised Rs. 20,23,15,650 of capital funds till the period ended March 31, 2019. The fund has since been capitalised by way of 100% equity infusion.

18. Corporate Governance

In order to have sound corporate governance, your company follows the best industry practices in all of its dealings, covering employees, customers, Regulatory Authorities, Banks and Financial Institutions. By way of inclusion of Director Responsibility Statement in the Directors Report, the Board reaffirms that proper systems are in place to ensure compliance of all related laws and regulations.



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The company has set up the Committees of the Board for effective oversight and guidance. It is the endeavour of the company to maintain the highest standards of governance. The company has appointed reputed auditors in this sector, M/s SRB & Associates as Statutory Auditors. The company ensures due implementation of the suggestions of the auditors.

19. Directors and Key Managerial Personnel

Mr. Alok Biswas functions as Managing Director and Mr Sunanda Kumar Mitra as Whole Time Director and Chairman. Mr. Atanu Sen was appointed as Independent Directors w.e.f 19th September,2018.

20. Meeting of Board of Directors

The Board of your Company held 11 Meetings during the year under review, details of which are given below:

Date of the Meeting
May 05, 2018
May 15, 2018
July 13, 2018
August 25, 2018
October 20, 2018
November 04, 2018
November 29, 2018
December 10, 2018
February 04,2019
March 05,2019
March 31,2019

21. Details of Committees of Board of Directors

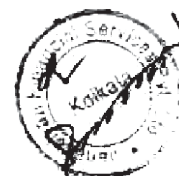
The details of the composition of the Committees of the Board of Directors are stated as under :-

a. Audit Committee

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



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During the year the Committee had met Five Times on May 05, 2018, July 13, 2018, August 25, 2018, November 29, 2018 and February 04, 2019.

b. Nomination & Remuneration Committee

SL NO.	NAME	CHAIRMAN / MEMBERS
1	Mr. Atanu Sen	Chairman
2	Mr. Sunanda Kumar Mitra	Member
3	Ms. Bani Saraswati	Member
4	Mr. Biswamohan Mahapatra	Member

During the year the Committee had met Once on July 13, 2018

c. Corporate Social Responsibility Committee

SL NO.	NAME	CHAIRMAN / MEMBERS
1	Ms. Bani Saraswati	Chairman
2	Mr. Sunanda Kumar Mitra	Member
3	Mr. Biswamohan Mahapatra	Member
4	Mr. Atanu Sen	Member

No Committee meeting held during the year.

22. Particulars of loans, guarantee or investment under Section 186

Your company is classified as NBFC-MFI and the principal business of your company is to provide loan. Hence Section 186 is not applicable to your company.

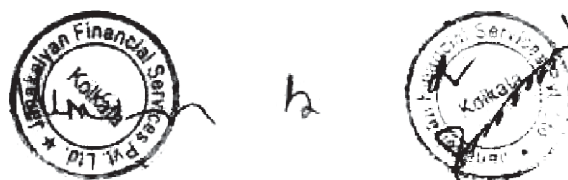
23. Particulars of contracts or arrangements with related parties

During the year, the Company has not entered into any contracts/ arrangements with related parties referred to in section 188(1) of the Companies Act, 2013 including certain arms length transactions. Hence disclosure in Form AOC - 2, pursuant to section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

24. Statutory Auditors

M/s. SRB & Associates, Chartered Accountants have been appointed as Statutory Auditors of the Company to hold office from the conclusion of the AGM (FY 2017-18) till the conclusion of the AGM for FY 2021-22.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.





25. Information as per Section 134 (3) (m) of the Companies Act, 2013.

The company has no activity relating to consumption of energy or technology absorption. The company does not have any foreign currency earnings.

26. Human Resources

Your Company treats its “human resources” with dignity, honour, fairness and as its most important asset and treats them with all fairness with dignity and respect.

Your Company continuously invests in attracting, retaining and developing of talent on an on-going basis. Your Company pursues promotion of talent internally through job rotation and job enlargement, training and mentoring. The company has a very comprehensive HR Policy which promises transparency and fairness at all levels.

27. 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 and obtained from third party providers, M/s Force Ten Technologies Private Limited, Kolkata and in regard to HR from Reylon Softech Ltd.

28. Details of establishment of vigil mechanism for directors and employees

The Company has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

29. Declaration by Independent Director(s) and appointment, if any

A declaration from all Independent Director(s)-Mr. Biswamohan Mahapatra and Ms. Bani Saraswati and Mr. Atanu sen that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 has been obtained and placed before the Board.

Mr. Atanu Sen was appointed in the Annual General Meeting as Independent Directors for a term of 3 years.

30. Corporate Social Responsibility

Your Company does not fall within the ambit of Section 135(1) of the Companies Act, 2013 related to Corporate Social Responsibility during the Financial Year 2017-18 and hence has not incurred any expenditure under this head.

31. Material changes & commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year to which the financial statements relates and the date of this report

There are no such Material changes 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, change in market or regulatory conditions, 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.



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32. Prevention of Sexual Harassment at Workplace

The Company is committed to provide a safe and conducive work environment to its employees.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

33. Details of Significant and Material Orders Passed by the Regulators, Courts and Tribunal

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

34. Issue and Allotment of Sweat Equity to Mr.Sunanda Kumar Mitra,Whole Time Director of the Company and to Mr.Alok Biswas,Managing Director

As approved by the Shareholders in AGM dated 09.09.2017, out of total 10,00,000 Sweat Equity Shares to be issued to Mr. Sunanda Kumar Mitra, Whole Time Director and Mr.Alok Biswas,Managing Director each,5,00,000 Equity Shares which rank paripassu with the existing equity shares of the Company of Rs.10/- each for cash consideration were issued and allotted to Mr Sunanda Kumar Mitra, Whole Time Director on 25.08.2018 (5,00,000 Sweat equity Shares were allotted on 27.03.2018 in FY 17-18) and 10,00,000 Equity Shares which rank paripassu with the existing equity shares of the Company of Rs.10/- each for non-cash consideration were issued and allotted to Mr.Alok Biswas,Managing Director on 25.08.2018 pursuant to the provision of Section 54 of Companies Act, 2013, Rule 8 of Companies (Share Capital & Debentures) Rules, 2014.

Total consideration received by the Company is Rs.50,00,000 from Mr. Sunanda Kumar Mitra, Whole Time Director in the FY 18-19

The percentage of the sweat equity shares of the total post issued and paid up share capital is 7.41%(for this year) and 9.88% (for total) and Diluted EPS is 0.58

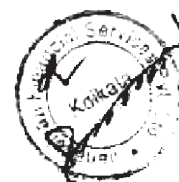
35. Directors' Responsibility Statement

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- in the preparation of the annual accounts for the year ended on March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- 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, 2019 and of the profit of the Company for the year ended on that date;
- 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;



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- 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.

The Web Address of the Company is www.janakalyan.net

Mr. Biswamohan Mahapatra stepped down from the Board of Janakalyan w.e.f 04.07.2019 for his personal reason.

Acknowledgement :

Your Directors wish to thank the customers, bankers, shareholders and other service agencies for their support. The directors also thank the employees for their contribution to the Company's operations and performance during the period under review.

For and on behalf of the Board of Directors

JANAKALYAN FINANCIAL SERVICES PVT. LTD.
(Formerly Janakalyan Consultancy & Services Pvt. Ltd.)



Director

Sunanda Kumar Mitra
(Whole Time Director)

Janakalyan Financial Services Pvt. Ltd.
(Formerly Janakalyan Consultancy & Services Pvt. Ltd.)



Managing Director

Alok Biswas
(Managing Director)

Place : Kolkata,
Date : 29.07.2019



Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31/03/2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

i	CIN	U74999WB2016PTC216823
ii	Registration Date	27/07/2016
iii	Name of the Company	JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED (FORMERLY : JANAKALYAN CONSULTANCY & SERVICES PRIVATE LIMITED)
iv	Category / Sub - Category of the Company	Private Company Limited By Shares
v	Address of the Registered office and contact details	183/A, Sahid Hemanta Kumar Bose Sarani, Kolkata Kolkata, West Bengal 700074
vi	Whether listed company	No
vii	Name, Address and Contact details of Registrar and 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 :-

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	NBFC-MFI	64990	100%
2			
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/ GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	NIL	NIL	NIL	NIL	NIL
2					
3					
4					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

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	-	5734890	5734890		-	7508246	7508246		
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	-	5734890	5734890	46.63	-	7508246	7508246	37.11	
2) Foreign									
g) NRIs - Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):-	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	46,75,471	46,75,471	23.11	-

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	
b) Individuals	-				-				-
i) Individual shareholders holding nominal share capital up to Rs. 1lakh		10000	10000						
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		6554200	6554200	53.29		8047848	8047848	39.78	
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	6564200	6564200	53.37	-	12723319	12723319	62.89	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	6564200	6564200	53.37	-	12723319	12723319	62.89	
C. Shares held by Custodian for GD Rs & AD Rs.	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	12299090	12299090	100	-	20231565	20231565	100	-

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	ALOK BISWAS	1243286	10.11	-	2280898	11.27	-	1.16
2.	SUNANDA KUMAR MITRA	4491604	36.52	-	5227348	25.84	-	-10.68
	Total	5734890	46.6	-	7508246	37.11	-	- 9.49

iii. Change in Promoters' Shareholding (please specify, if there is no change) :

Sr. No.		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
	At the beginning of the year				
	1.ALOK BISWAS	1.12,43,286	1.10.11%		
	2.SUNANDA KUMAR MITRA	2.44,91,604	2.36.52%		

Sr. No.		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
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) :				
	A. Allotment of Right Issue to Mr. Alok Biswas - 37,612 on 25.08.2018 and 10,00,000 on 25.08.2018 as Sweat Equity Allotment at Non Cash Consideration.			A.10,37,612	
	B. Allotment of Right Issue to Mr. Sunanda Kumar Mitra- 2,35,744 on 25.08.2018 and 5,00,000 on 25.08.2018 as Sweat Equity Allotment at Cash Consideration.			B. 7,35,744	B.
	At the End of the year	A. Alok Biswas B. Sunanda Kumar Mitra		A. 22,80,898 B. 52,27,348	A. 11.27 B. 25.84

iv. *Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):*

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders						
	1. SIDBI TRUSTEE COMPANY LIMITED-A/C SAMRIDHI FUND	1.-					
	2. LOKNATH AGARWALLA	2. 1000000	2. 8.13				
	3. SUSIM MUKUL DATTA	3. 1050000	3. 8.53				
	4. MAYADHAR MAHAKUD	4. 500000	4. 4.06				
	5. SAMIR CHIMANLAL SANGHAVI	5. 808600	5. 6.57				
	6. MANICK DEB	6. 750000	6. 6.09				
	7. SAMIRAN CHANDA	7. 650000	7. 5.28				

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	8. JATIN CHIMANLAL SANGHAVI	8. 641400	8. 5.21				
	9. DIVYA SARAF	9. 199800	9. 1.62				
	9. SAROJ SARAF	9. 199800	9. 1.62				
	9. DILIP KR SARAF	9. 199800	9. 1.62				
	9. ANUPRIYA SARAF	9. 199800	9. 1.62				
	10. DILIP KR SARAF(HUF)	10. 199800	10. 1.62				
	Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc) : Equity Share Allotment of Right Issue and Private Placement						
	1. SIDBI TRUSTEE COMPANY LIMITED- A/C SAMRIDHI FUND - 4675471 Shares allotted on the basis of Private Placement on 29.11.2018 and on 31.03.2019			1. 4675471	1.		
	2. LOKNATH AGARWALLA 3,59,519 Shares allotted on the basis of Right Issue on 25.08.2018			2. 3,59,519	2.		

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	3. SUSIM MUKUL DATTA 1,80,061 Shares allotted on the basis of Right Issue on 25.08.2018			3. 1,80,061			
	4. MAYADHAR MAHAKUD 3,10,469 Shares allotted on the basis of Right Issue on 25.08.2018			4. 3,10,469			
	5. SAMIR CHIMANLAL SANGHAVI			5. Nil			
	6. MANICK DEB 25,000 Shares allotted on the basis of Right Issue on 25.08.2018			6. 25,000			
	7. SAMIRAN CHANDA			7. Nil			
	8. JATIN CHIMANLAL SANGHAVI			8. Nil			
	9. DIVYA SARAF 1,46,250 Shares allotted on the basis of Right Issue on 25.08.2018			9. 1,46,250			
	9. SAROJ SARAF 1,46,250 Shares allotted on the basis of Right Issue on 25.08.2018			9. 1,46,250			

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	9. DILIP KR SARAF 1,46,250 Shares allotted on the basis of Right Issue on 25.08.2018			9. 1,46,250			
	9. ANUPRIYA SARAF 1,46,250 Shares allotted on the basis of Right Issue on 25.08.2018			9. 1,46,250			
	10. DILIP KR SARAF (HUF)			10. NIL			
	At the End of the year (or on the date of separation, At the End of the year (or on the date of separation, if separated during the year)						
	1. SIDBI TRUSTEE COMPANY LIMITED-A/C SAMRIDHI FUND					1. 4675471	1. 23.11
	2. LOKNATH AGARWALLA					2. 1359519	2. 6.71
	3. SUSIM MUKUL DATTA					3. 1230061	3. 6.08
	4. MAYADHAR MAHAKUD					4. 810469	4. 4.00
	5. SAMIR CHIMANLAL SANGHAVI					5. 808600	5. 3.99

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	6. MANICK DEB					6. 775000	6. 3.83
	7. SAMIRAN CHANDA					7. 650000	7. 3.21
	8. JATIN CHIMANLAL SANGHAVI					8. 641400	8. 3.17
	9. DIVYA SARAF					9. 346050	9. 1.71
	9. SAROJ SARAF					9. 346050	9. 1.71
	9. DILIP KR SARAF					9. 346050	9. 1.71
	9. ANUPRIYA SARAF					9. 346050	9. 1.71
	10. DILIP KR SARAF (HUF)					10. 199800	10. 0.98

v) INDEBTEDNESS :

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	52,62,89,695	3,00,00,000	-	55,62,89,695
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	26,63,067	4,60,274	-	31,23,341
Total (i+ii+iii)	52,89,52,762	3,04,60,274	-	55,94,13,036
Change in Indebtedness during the financial year				
* Addition	110,69,00,000	-	-	110,69,00,000
* Reduction	53,58,72,441	-	-	53,58,72,441

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Net Change	57,10,27,559	-		57,10,27,559
Indebtedness at the end of the financial year				
i) Principal Amount	109,73,17,254	3,00,00,000	-	112,73,17,254
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	45,03,635	4,45,890	-	49,49,525
Total (i+ii+iii)	110,18,20,889	3,04,45,890	-	113,22,66,779

I. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and /or Manager

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		ALOK BISWAS	SUNANDA KUMAR MITRA	---	---	
1	Gross salary	35,08,650	27,00,000			62,08,650
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-				-
2	Stock Option	-				-
3	Sweat Equity	1,00,00,000				1,00,00,000
4	Commission - as % of profit - others, specify...	-				-
5	Others, please specify					
	Total (A)	1,35,08,650	27,00,000			1,62,08,650
	Ceiling as per the Act					

*As the 5,00,000 Sweat Equity Shares had been allotted to Mr.Sunanda Kumar Mitra at Cash Consideration,hence, as per Section 54 of Companies Act,2013 and Rules made thereunder,it will not form any part in calculating Remuneration.

II.

B. Remuneration to other directors :

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Biswamohan Mahapatra	Bani Saraswati	Atanu Sen	
	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	77,500	50,000	1,02,500	2,30,000
	Total(1)				
	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify				
	Total (2)				
	Total (B) = (1+2)	77,500	50,000	1,02,500	2,30,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

c) Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (Anindita Chanda)	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	Rs. 3,07,500	NIL	NIL

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (Anindita Chanda)	CFO	Total
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 c) Profits in lieu of salary under section 17(2) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
6.	Total		3,07,500		

III. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NA

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. Directors					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any(give details)
C. Other Officers In Default					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

For and on behalf of Board of Directors



Sunanda Kumar Mitra
(Wholetime Director)
DIN-03521074



Alok Biswas
(Managing Director)
DIN - 03141650

Place : Kolkata
Date : 29.07.2019

Independent Auditor's Report





SRB & Associates
CHARTERED ACCOUNTANTS

A-3/7, GILLANDERS HOUSE
8, N. S. Road, Kolkata - 700001
Phone : 4004 7263

BHUBANESWAR - 0674-2541043/2545880
NEW DELHI - 011 - 22041892
MUMBAI - 022 - 32943718
CHENNAI - 044 - 23711211
BANGALORE - 080 - 26423004/26423005
HYDERABAD - 040 - 27510739/27510741

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED,
(Formerly Known as 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, 2019, 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, 2019, the profit and its cash flows for the year ended on that date.

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.	<p>Accuracy of recognition, measurement, presentation, Loan loss Provisions and disclosures of Micro Finance Loan Portfolio.</p> <p>Please refer Note-21 of the Financial statements.</p>	<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>

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 comprehensive income, changes in equity 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

- I As required by section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flows dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from Directors as on March 31, 2019, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019, 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 2019.





- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses.
- ii. 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.

Date: 27.04.2019
Place: Kolkata



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


Biswanath Paul
Partner
M. No. 068186



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 PVT LTD".

I. In respect of fixed assets :

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

II. In respect of Inventories:

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

III. In respect of Loan:

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

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

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

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

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





VII. In respect of Statutory dues:

- a. According to the records of the company the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, Service Tax, sales tax, custom duty, excise duty and Cess were in arrears, as at 31st March, 2019, for a period of more than six months from the date they became payable."
- c. According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and Cess which have not been deposited on account of any dispute.

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

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

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

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

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

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

XIII. According to the information and explanations given by the management, transactions with the related parties are in Compliance with section 177 and 188 of the Act where





applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

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

Place: Kolkata
Date: 27.04.2019



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 PVT LTD".

We have audited the internal financial controls over financial reporting of "**JANAKALYAN FINANCIAL SERVICES PVT LTD**". as of March 31, 2019 in conjunction with our audit of the standalone 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

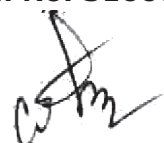
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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, 2019, 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**

Place: Kolkata
Date: 27.04.2019


JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED
(Formerly Janakalyan Consultancy & Services Pvt. Ltd)

		₹	₹
BALANCE SHEET AS AT		31ST MARCH , 2019	31ST MARCH, 2018
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	20,23,15,650	12,29,90,900
Reserves & Surplus	4	4,50,59,713	1,08,519
		24,73,75,363	12,30,99,419
NON-CURRENT LIABILITIES			
Long Term Borrowings	5	51,17,58,809	16,77,06,066
Deferred Tax Liability (Net)		1,78,000	1,30,000
Long term provisions		7,77,314	-
		51,27,14,123	16,78,36,066
CURRENT LIABILITIES			
Short Term Borrowings	6	5,34,42,308	22,12,33,657
Trade Payables	7	61,26,810	31,76,172
Other Current Liabilities	8	57,41,64,427	32,43,73,741
Short term provisions	9	1,34,68,067	76,65,020
		64,72,01,612	55,64,48,590
TOTAL		1,40,72,91,098	84,73,84,075
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	10		
-Tangible Assets		63,99,277	28,31,076
-Intangible Assets		14,65,037	3,26,793
Long term loans and advances	11	21,27,25,009	11,07,500
		22,05,89,323	42,65,369
CURRENT ASSETS			
Cash and Cash Equivalents	12	32,80,83,979	11,31,22,817
Short term loans and advances	13	82,05,53,454	70,68,09,071
Other current assets	14	3,80,64,342	2,31,86,818
		1,18,67,01,775	84,31,18,706
TOTAL		1,40,72,91,098	84,73,84,075

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

Date :27/04/2019
Place : Kolkata



For and on behalf of the Board of Directors


Sunanda Kr. Mitra
Chairman


Alok Biswas
Managing Director


Anindita Chanda
Company Secretary


JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED
(Formerly Janakalyan Consultancy & Services Pvt. Ltd)

		₹	₹
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED		31ST MARCH, 2019	31ST MARCH, 2018
	Note		
Revenue from Operations	15	19,32,29,610	112,168,604
Other Income	16	3,94,78,954	4,510,354
Total Revenue		23,27,08,564	116,678,958
EXPENSES			
Employee Benefits Expenses	17	6,30,89,010	32,823,822
Depreciation		14,88,792	623,100
Finance Cost	18	12,89,43,081	62,115,978
Other Expenses	19	2,35,57,175	11,062,111
Provisions and Write-offs	20	18,38,531	7,011,479
Total Expenses		21,89,16,589	113,636,490
Profit before Tax		1,37,91,975	3,042,468
Tax Expenses:			
(1) Current Tax		32,00,000	608,494
(2) Deferred Tax (Assets)/Liabilities		48,000	62,000
(3) Tax of Earlier Years		15,41,831	-
Total Tax Expenses		47,89,831	670,494
Profit for the Year		90,02,144	2,371,974
Earning Per Equity Share			
(1) Basic		0.58	0.28
(2) Diluted		0.58	0.28

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

Date :27/04/2019
Place : Kolkata



For and on behalf of the Board of Directors


Sunanda Kr. Mitra
Chairman


Alok Biswas
Managing Director


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Company Secretary

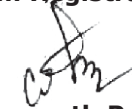
JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED (Formerly Janakalyan Consultancy & Services Pvt. Ltd)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Particulars	2018-19 RUPEES (₹)	2017-18 RUPEES (₹)
Cash Flow From Operating Activities :		
Profit Before Tax and extraordinary items	1,37,91,975	30,42,462
Adjustments for :		
Loan Loss Provisions	18,38,531	70,11,478
Depreciation	14,88,792	1,40,857
Operating Profit Before Working Capital Changes	1,71,19,298	1,01,94,797
(Increase)/Decrease in Micro Finance Loans	(18,38,53,059)	(70,11,47,849)
(Increase)/Decrease in Other Loans & advances	(76,22,744)	(7,84,810)
(Increase)/Decrease in Non Current Assets	(21,16,17,509)	-
(Increase)/Decrease in Other Current Assets	(1,48,77,524)	(2,11,07,292)
Increase/(Decrease) in Trade Payables	29,50,638	27,27,249
Increase/(Decrease) in Current Liabilities	57,88,395	59,26,684
Net Cash Provided By/(Used In) Operating Activities (A)	(39,21,12,506)	(70,41,91,221)
Cash Flow From Investing Activities		
Purchases of Fixed Assets	61,95,237	18,43,434
Net Cash Provided By/(Used In) Investing Activities (B)	(61,95,237)	(18,43,434)
Cash Flow From Financing Activities :		
Increase in Borrowings	42,02,63,685	60,70,53,569
Proceeds From Issuance of Share Capital	11,52,73,800	6,77,18,900
Net Cash Provided By/(Used In) Financing Activities (C)	53,55,37,485	67,47,72,469
Net Increase In Cash And Cash Equivalents (A+B+C)	13,72,29,742	(3,12,62,186)
Cash And Cash Equivalents At The Beginning of The Year	11,31,22,817	14,43,85,003
Cash And Cash Equivalents At The End of The Year	25,03,52,559	11,31,22,817
Cash And Cash Equivalents Comprises of :		
1. Cash In Hand	2,00,179	47,908
2. Balances With Scheduled Banks	32,78,83,800	11,30,74,909
	32,80,83,979	11,31,22,817

AS per our report of even date annexed herewith


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


Biswanath Paul
(Partner)
M. No.068186

Place : Kolkata
Date :27/04/2019



For and on behalf of the Board of Directors


Sunanda Kr. Mitra
Chairman


Alok Biswas
Managing Director


Anindita Chanda
Company Secretary



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 organized near the in habitats 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 amortized over their estimated useful lives on a straight-line basis. The management estimates the use full lives of the Fixed assets as follows.

Classes of Assets	Useful Lives
Office Equipment	5 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 recognized on time proportion basis taking into account the amount outstanding and the rate applicable on the borrowing.





JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED (Formerly Janakalyan Consultancy & Services Pvt. Ltd)

2.06 Revenue Recognition

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

(i) Interest income on loans is recognized on accrual basis. Interest on Non-Performing Assets (NPA) is recognized only when realized.

(ii) All other income is recognized 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	Upto 90 days	0.40%	0.40%	0.40%
Standard Assets	From 91 to 179 days	0.40%	0.40% to 1%	0.40% to 1%
Sub Standard Assets	50%	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 c) 100% of the aggregate loan instalments which are overdue for 180 days or more.





JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED (Formerly Janakalyan Consultancy & Services Pvt. Ltd)

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, its outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.15 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.





JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED (Formerly Janakalyan Consultancy & Services Pvt. Ltd)

Note-3: SHARE CAPITAL

Particulars	₹	₹
	31ST MARCH , 2019	31ST MARCH, 2018
AUTHORISED 3,00,00,000 (P.Y.:2,00,00,000) Equity shares of Rs. 10/- each	30,00,00,000	20,00,00,000
ISSUED, SUBSCRIBED AND PAID UP 2,02,31,565 no (P.Y.1,22,99,090) paid up Equity shares of `10/- each	30,00,00,000	20,00,00,000
	20,23,15,650	12,29,90,900
	20,23,15,650	12,29,90,900

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	As on 31/03/2019		As on 31/03/2018	
	No. of shares	% of Holding	No. of shares	% of Holding
Sunanda Kumar Mitra	52,27,348	25.84%	44,91,604	36.52%
Alok Biswas	22,80,898	11.27%	12,43,286	10.11%
Samir Chimanlal Sanghvi	8,08,600	4.00%	8,08,600	6.57%
Jatin Chimanlal Sanghvi	6,41,400	3.17%	6,41,400	5.22%
Loknath Agarwalla	13,59,519	6.72%	10,00,000	8.13%
Susim Mukul Datta	12,30,061	6.08%	10,50,000	8.54%
Samiran Chanda	6,50,000	3.21%	6,50,000	5.28%
Manick Deb	7,75,000	3.83%	7,50,000	6.10%
SIDBI Trustee Company Ltd -A/c Samridhi Fund	46,75,471	23.11%		

The reconciliation of number of Equity Shares is set out below

Particulars	31ST MARCH , 2019	31ST MARCH, 2018
Number of Shares at the beginning	1,22,99,090	55,27,200
Add: Issue of Equity Shares during the Year	79,32,475	67,71,890
Number of shares at the end	2,02,31,565	1,22,99,090

Issue of Sweat Equity Shares

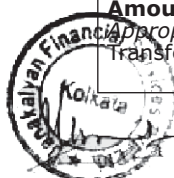
Particulars	31ST MARCH , 2019	31ST MARCH, 2018
Number of Shares at the beginning of the year	5,00,000	-
Add: Issue of Sweat Equity during the year	15,00,000	5,00,000
Number of Shares at the end of year	20,00,000	5,00,000

During the year the Company has allotted 15,00,000 sweat equity shares at face value of Rs.10/-

Note-4

RESERVES & SURPLUS

Particulars	31ST MARCH , 2019	31ST MARCH, 2018
A. Statutory Reserve		
Opening Balance	4,74,394	-
Add: Transfer from Surplus	18,00,429	4,74,394
	2,274,823	4,74,394
According to Section 45-IC of the Reserve Bank of India Act, 1934 every NBFC shall create a reserve fund and transfer therein a sum not less than 20% of the net profit of each year as disclosed in the Profit and Loss account.		
B. Share Premium		
Opening Balance	-	-
Add: Premium receive	3,59,49,050	-
C. Surplus in Profit and Loss Account.		
Opening Balance	(3,65,875)	(22,63,455)
Add: Profit for the Period	90,02,144	23,71,975
Amount available for appropriation	86,36,269	1,08,520
Appropriation : Transfer to Statutory Reserve	18,00,429	4,74,395
	68,35,840	(3,65,875)
TOTAL (A+B+C)	4,50,59,713	1,08,519



TOTAL (A+B+C)

JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED
NOTES FORMING PART OF THE BALANCE SHEET
NOTE - 5 : LONG TERM BORROWINGS

(Formerly Janakalyan Consultancy & Services Pvt. Ltd)

Terms of Repayment of Term Loan as on 31st March 2019

Figures in (₹)

Sl. No.	Banks / Financial Institution	Balance as on 01.04.2018	Received during the year	Repaid during the year	Balance as on 31.03.2019	Nature of Security			Terms of Repayment
						Hypothecation of Book Debts	Fixed Deposit/ Collateral	Personal Guarantee of Board Members	
SECURED LOAN/UNSECURED LOANS									
TERM LOAN FROM BANKS/FINANCIAL INSTITUTIONS									
1	Utkarsh Small Finance Bank Ltd.	7,50,00,000	-	7,50,00,000	-	Yes	10.00%	Director	Monthly
2	Mas Financial Services Limited	18,79,16,674	9,75,00,000	11,90,62,497	16,63,54,177	Yes	12.50%	Director	Monthly
3	Axis Bank Ltd.	3,57,14,287	5,36,00,000	3,97,99,999	4,95,14,288	Yes	-	Director	Quarterly
4	Capital First Ltd.	4,72,20,684	10,00,00,000	1,50,30,084	13,21,90,600	Yes	-	Director	Monthly
5	Sub-ordinated debt. Mas Financial Services Ltd.	3,00,00,000	-	-	3,00,00,000	-	-	-	Monthly
6	Mahindra & Mahindra Financial Services Ltd.	4,38,35,045	-	3,30,90,267	1,07,44,778	Yes	10.00%	-	Monthly
7	Avanse Financial Services Limited	2,81,63,751	-	2,38,44,700	43,19,051	Yes	7.50%	-	Monthly
8	Visu Leasing and Finance Pvt. Ltd.	3,79,69,471	-	2,59,40,777	1,20,28,694	Yes	0.00%	Director	Monthly
9	Arohan Financial Services Ltd.	-	20,00,00,000	2,08,02,322	17,91,97,678	Yes	0.00%	Director	Monthly
10	Ananya Finance for Inclusive Growth Pvt. Ltd.	-	6,00,00,000	-	6,00,00,000	Yes	10.00%	Director	Monthly
11	Muthoot Capital Services Ltd.	-	4,00,00,000	-	4,00,00,000	Yes	0.00%	Director	Monthly
12	SIDBI	-	15,00,00,000	-	15,00,00,000	Yes	10.00%	Director	Monthly
13	AU Small Finance Bank	-	5,00,00,000	55.55.556	4,44,44,444	Yes	0.00%	Director	Monthly
14	State Bank of India	-	6,00,00,000	23,755	5,99,76,245	Yes	20.00%	Director	Monthly
15	Bandhan Bank Ltd.	-	10,00,00,000	2,00,00,000	8,00,00,000	Yes	0.00%	Director	Monthly
16	UC Inclusive Credit Pvt. Ltd.	-	3,10,00,000	27,66,177	2,82,33,823	Yes	0.00%	Director	Monthly
17	Jainsons Finlease Ltd.	-	3,00,00,000	31,28,832	2,68,71,168	Yes	0.00%	Director	Monthly
	Total	48,58,19,912	97,21,00,000	38,40,44,966	1,07,38,74,946				
Less : Current Maturities Transferred to Other Liabilities (Refer Note No-8)					56,21,16,137				
					48,58,19,912				
					51,17,58,809				

Balance as on 31st March 2019

NOTE - 6 : SHORT TERM BORROWINGS

Terms of Repayment of Term Loan as on 31st March 2019

Figures in (₹)

Sl. No.	Banks / Financial Institution	Balance as on 01.04.2018	Received during the year	Repaid during the year	Balance as on 31.03.2019	Nature of Security			Terms of Repayment
						Hypothecation of Book Debts	Fixed Deposit/ Collateral	Personal Guarantee of Board Members	
SECURED LOANS									
TERM LOAN FROM BANKS/FINANCIAL INSTITUTIONS									
1	Profectus Capital Services Ltd.	-	1,50,00,000	97,44,848	52,55,152	Yes	7.50%	Director	Monthly
2	Arohan Financial Services Pvt. Limited	-	7,50,00,000	6,11,97,300	1,38,02,700	Yes	0.00%	Director	Monthly
3	Nova Vyapar Private Limited	2,10,00,000	2,48,00,000	2,10,00,000	2,48,00,000	Yes	-	-	Monthly
4	Jain Sons Finlease Limited	4,94,69,783	2,00,00,000	5,98,85,327	95,84,456	Yes	10.00%	Director	Monthly
	Total	7,04,69,783	13,48,00,000	15,18,27,475	5,34,42,308				





JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED (Formerly Janakalyan Consultancy & Services Pvt. Ltd)

Note-7 Trade payables				
Particulars	31ST MARCH, 2019		31ST MARCH, 2018	
	₹		₹	
Liability for Expenses	23,19,830		5,51,718	
Group Insurance Premium	38,06,979		26,24,454	
Total	61,26,809		31,76,172	
Note-8 Other Current Liabilities				
Particulars	31ST MARCH, 2019		31ST MARCH, 2018	
	₹		₹	
Current maturities of Long Term Debt	56,21,16,137		31,81,13,846	
Statutory Liabilities	12,52,071		8,21,438	
Interest Accrued but Not due	49,49,525		31,23,341	
Payable to Creditors (Lenders)	58,46,694		23,15,116	
Total	57,41,64,427		32,43,73,741	
Note-9 Provisions				
Provision for Portfolio Loan Assets:	Long Term		Short Term	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Contingent Provision against current and Standard Assets	7,77,314	-	80,64,754	69,88,447
Non Performing Loans	-	-	52,990	68,081
Total	7,77,314	-	81,17,744	70,56,528
Others				
Provision for Grauity	-	-	-	-
Provision for Taxation	-	-	53,50,323	6,08,492
Total	7,77,314	-	1,34,68,067	76,65,020
Note-10 FIXED ASSETS:				
Tangible:				
Cost or Valuation	Figures in			₹
	Office Equipments	Computer & Software	Furniture & Fixtures and Equipments	Total
As at 1st April 2018	5,81,923	12,82,842	16,94,917	35,59,682
Additions during the period	10,95,513	18,36,738	17,58,483	46,90,734
Disposals	-	-	-	-
As at 31st March 2019	16,77,436	31,19,580	34,53,400	82,50,416
Depreciation				
As at 1st April 2018	1,46,043	3,61,259	2,21,304	7,28,606
Charge For the Period	2,45,010	5,73,956	3,03,567	11,22,533
Disposals	-	-	-	-
As at 31st MARCH 2019	3,91,053	9,35,215	5,24,871	1,851,139
Net Block as on 31st March 2019	12,86,383	21,84,365	29,28,529	63,99,277
Net Block as on 31st March 2018	4,35,880	9,21,583	14,73,613	28,31,076
Intangible:				
Cost or Valuation	Figures in		₹	
	Software		Total	
As at 1st April 2018	3,26,793		3,26,793	
Additions during the period	15,04,503		15,04,503	
Disposals	3,66,259		3,66,259	
Net Block as on 31st March 2019	14,65,037		14,65,037	





JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED (Formerly Janakalyan Consultancy & Services Pvt. Ltd)

Note-11	Long Term Loans and Advances		
Particulars	31ST MARCH , 2019	31ST MARCH, 2018	
	₹	₹	
Micro Finance Loans	7,77,31,420	-	
Advance against fixed Assets	4,00,000	11,07,500	
Term Deposit with banks (kept as lien with the lenders)	12,83,25,223	-	
Interest Accrued on Fixed Deposits	62,68,366	-	
Total	21,27,25,009	11,07,500	
Note-12	Cash and cash equivalents.		
Particulars	31ST MARCH , 2019	31ST MARCH, 2018	
	₹	₹	
(a) Balances with banks	31,42,08,800	3,39,27,409	
(b) Cash on hand	2,00,179	47,908	
(c) Fixed Deposit with Banks (kept as lien with the lenders)	1,36,75,000	7,91,47,500	
Total	32,80,83,979	11,31,22,817	
Note-13	Short Term Loans and Advances:		
Particulars	31ST MARCH , 2019	31ST MARCH, 2018	
	₹	₹	
Micro Finance Loans			
Opening Balance	70,56,52,849	45,05,000	
Add: Loan Disbursed	2,34,41,78,200	1,39,40,76,600	
Sub-Total	3,04,98,31,049	1,39,85,81,600	
Less: Realised	1,52,26,95,670	48,85,31,367	
Less: Assigned Loan portfolios	-	13,71,23,240	
Less: BC Loan Outstanding	63,76,29,471	6,72,74,144	
	88,95,05,908	70,56,52,849	
(I Microfinance Loan (Unsecured and considered good)	88,95,05,908	70,56,52,849	
Less: Transferred to Long Term Loans and Advances	7,77,31,420	-	
Short Term Micro Loans	81,17,74,488	70,56,52,849	
(ii) Advance Income Tax	86,20,283	9,35,437	
(ii) Advance to Staffs	1,58,683	2,20,785	
Total	82,05,53,454	70,68,09,071	
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.63.76 crore as a Business Correspondent on behalf of different Banks and NBFCs (i.e.Principals). Please refer note no-22 & 23.			
Note-14	Other current assets		
Particulars	31ST MARCH , 2019	31ST MARCH, 2018	
	₹	₹	
Prelliminary Expenses not Written off	14,20,351	14,84,451	
Security Deposit	1,40,76,040	2,16,050	
Interest accrued on Fixed Deposit	8,72,740	21,05,132	
Interest accrued on Portfolio Loan	66,24,366	78,98,407	
Prepaid Expenses	14,25,000	78,95,960	
Trade Receivables	69,80,030	17,29,483	
MRR Receivable	-	18,57,335	
Commission Receivable from Principals	36,05,713	-	
Insurance Claim	22,55,486	-	
MAT Credit Entitlement	8,04,616	-	
Total	3,80,64,342	2,31,86,818	





JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED (Formerly Janakalyan Consultancy & Services Pvt. Ltd)

Note-15 Revenue from operations			
Particulars	31ST MARCH, 2019	31ST MARCH, 2018	
	₹	₹	
Interest on Loan. (Refer Note (i) below)	17,70,84,352	9,32,63,434	
Loan Processing Fees	1,61,45,258	1,36,14,301	
Profit on sale of Loan Portfolios (Refer note no-25)	-	52,90,869	
Total	19,32,29,610	11,21,68,604	
Particulars	31ST MARCH, 2019	31ST MARCH, 2018	
	₹	₹	
I) Interest on Loan comprises:			
a) Interest on Micro Finance Loan	17,70,84,352	9,32,63,434	
Total	17,70,84,35	9,32,63,434	
I The company offers small loan products to its borrowers for income generation, which are repayable in equal weekly/fortnightly/Monthly instalments.			
Note-16 Other Income			
Particulars	31ST MARCH, 2019	31ST MARCH, 2018	
	₹	₹	
Interest on Fixed Deposit	75,13,761	25,72,270	
Dividend	21,55,527	11,33,877	
Commission received as Business Correspondent	2,76,43,091	6,23,563	
Miscellaneous Income	12,41,959	1,80,644	
Grant Received	1,20,000	-	
MAT Credit Entitlement	8,04,616	-	
Total	3,94,78,954	45,10,354	
Note-17 Employee benefit expenses			
Particulars	31ST MARCH, 2019	31ST MARCH, 2018	
	₹	₹	
Salaries, Wages & Bonus etc.	5,59,08,023	2,96,86,930	
Provident Fund and ESI	41,27,739	29,63,559	
Bonus and Exgratia	17,30,298	-	
Gratuity	11,28,144	-	
Employee Health and Insurance Premium	1,94,806	1,73,333	
Total	6,30,89,010	3,28,23,822	
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. After completion of 5 years or more of service every employee will be eligible for gratuity.			
Note-18 Finance Cost			
Particulars	31ST MARCH, 2019	31ST MARCH, 2018	
	₹	₹	
Interest on Borrowings	10,99,83,489	5,99,29,138	
Loan Processing Fees	1,82,11,210	21,86,840	
Stamp Charges	7,48,382	-	
Total	12,89,43,081	6,21,15,978	





JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED (Formerly Janakalyan Consultancy & Services Pvt. Ltd)

Note-19 Other expenses		31ST MARCH, 2019		31ST MARCH, 2018	
Particulars		₹		₹	
Audit fee		2,00,000		37,583	
Telephone & Internet		7,11,797		2,46,545	
Bank Charges		2,37,853		1,39,695	
Electricity Expenses		5,66,509		1,99,677	
Filling Fees		45,165		47,857	
Professional Fees		48,95,517		16,23,957	
Office Rent		34,04,071		18,31,738	
Printing & Stationery expenses		9,83,111		10,09,108	
Travelling & Conveyance		34,29,284		14,46,822	
Office Expenses		12,82,460		6,95,411	
Training Expenses		10,31,761		2,58,930	
Rates and Taxes		86,169		13,968	
Staff Welfare		13,11,135		11,83,096	
Directors Sitting Fees		2,30,000		1,45,000	
Insurance		2,23,987		1,39,079	
Repair & Maintenance		25,942		31,612	
Goods and Services Tax		19,67,227		6,08,303	
IT related Charges		4,24,601		2,63,380	
Membership Fees		3,43,914		1,70,350	
Consultancy Charges		10,41,000		9,70,000	
Preliminary Expenses Written off		8,14,100		-	
Service Tax		3,01,572		-	
Total		23,557,175		11,062,111	

Note-20 Provisions for Loan Loss				
Particulars	As at 1st April, 2018	Additions	Utilisation	As at 31ST MARCH, 2019
	₹	₹	₹	₹
Provision for Loan Loss on Standard Asset	70,56,528	18,38,531	-	88,95,059
Total	70,56,528	18,38,531	-	88,95,059

Note-21 Classification of Portfolio Loan on age basis					
Particulars	Estimated Provisions Adopted	As at 31ST MARCH, 2019		As at 31ST MARCH, 2018	
		Principal	Provision Amount (₹)	Principal	Provision Amount (₹)
Current	0.40% to 1%	88,88,47,562	88,36,545	705,652,849	6,960,227
Up to 90 days	0.40% to 1%	5,52,365	5,524	2,822,067	28,221
91 to 179 days	50%	1,05,981	52,990	136,161	68,081
180 days or more	100%	-	-	-	-
Total		88,95,05,908	88,95,059	705,652,849	7,056,528
*Subject to 1% Whichever is Higher		88,95,05,908	88,95,059	705,652,849	7,056,528

According to RBI Notification no. DNBR.(PD)CC.047/03.10.119/2015-16 dated July 01,2015, aggregate loan provision to be maintained by the NBFC-MFIs at any point of time shall not be less than the higher of a) 1% of the outstanding loan portfolio or b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

Note-22 Assigned Loan Portfolio:		
During the Period, the Company has managed loan portfolio of Arohan Financial Services Pvt Ltd as an assignor. Details are as given below.		
Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Opening Balance	1,79,90,745	-
Portfolio assigned	-	13,71,23,240
Total	1,79,90,745	13,71,23,240
Amount collected from Client	1,79,90,745	11,91,32,495
Outstanding Portfolio	-	1,79,90,745



JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED (Formerly Janakalyan Consultancy & Services Pvt. Ltd)

Note-23 Loan Portfolio managed as a Business Correspondent.
During the Period, the Company has engaged as a business correspondent of MAS Financial Services Ltd, Utkarsh Small Finance Bank and IDBI Bank Limited. Details are as given below.

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Opening Balance	6,72,74,144	-
Amount disbursed	84,98,80,000	7,67,80,000
Total	91,71,54,144	7,67,80,000
Amount collected from Clients	27,95,24,673	95,05,856
Outstanding Portfolio	63,76,29,471	6,72,74,144

Note-24 Income as Business Correspondent

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Commission Received from MAS Financial Services Ltd	1,00,10,183	6,23,563
Commission Received from Utkarsh Small Finance Bank Ltd	1,76,32,908	-
	2,76,43,091	6,23,563

Note-25 Profit on Sale of Loan Portfolio

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Sales Consideration Received	-	14,24,14,109
Book Value of loan portfolio Sold	-	13,71,23,240
	-	52,90,869

Note-26 Profit on above

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
Biswamohan Mahapatra	Independent Director
Atanu Sen	Independent Director
Bani Saraswati	Independent Director

b) Nature of Transactions

Particulars	31.03.2019		31.03.2018	
	Transaction Value	Outstanding	Transaction Value	Outstanding
	₹	₹	₹	₹
I Alok Biswas				
Remuneration	33,75,000	-	27,00,000	9,00,000
Sweat Equity Shares	1,00,00,000	-	-	-
ii) Sunanda Kumar Mitra				
Remuneration	27,00,000	-	-	-
Sweat Equity Shares	50,00,000	-	-	-
iii) Biswamohan Mohapatra				
Sitting Fees	77,500	-	55,000	-
iv) Atanu Sen				
Sitting Fees	1,02,500	-	-	-
v) Bani Saraswati				
Sitting Fees	50,000	-	90,000	-





JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED (Formerly Janakalyan Consultancy & Services Pvt. Ltd)

Note-27	Segment Reporting The company operates in a single reportable segment i.e. lending in Microfinance Sector, which have similar risk and returns for the purpose of AS-17 on 'Segment Reporting' issued by ICAI. The company does not have any reportable Geographical Segment.																		
Note-28	Disclosure of micro and small enterprises. The Company has the process of identification of suppliers registered under Micro, Small and Medium Enterprises Act 2006 (The MSMED) by obtaining confirmation from all the suppliers. Based on the information available with the company no amount is payable to micro, small and medium enterprises.																		
Note-29	Earning Per Share																		
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #FFD700;"> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">31ST MARCH , 2019</th> <th style="text-align: center;">31ST MARCH, 2018</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">₹</td> <td style="text-align: center;">₹</td> </tr> <tr> <td>Net Profit After Tax</td> <td style="text-align: right;">90,02,144</td> <td style="text-align: right;">23,71,975</td> </tr> <tr> <td>Weighted Average Number of Shares</td> <td style="text-align: right;">1,54,08,991</td> <td style="text-align: right;">85,64,042</td> </tr> <tr> <td>Earning per share (Basic/Diluted)</td> <td style="text-align: right;">0.58</td> <td style="text-align: right;">0.28</td> </tr> <tr> <td>Nominal Value per Share</td> <td style="text-align: right;">Rs.10/-</td> <td style="text-align: right;">Rs.10/-</td> </tr> </tbody> </table>	Particulars	31ST MARCH , 2019	31ST MARCH, 2018		₹	₹	Net Profit After Tax	90,02,144	23,71,975	Weighted Average Number of Shares	1,54,08,991	85,64,042	Earning per share (Basic/Diluted)	0.58	0.28	Nominal Value per Share	Rs.10/-	Rs.10/-
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Note-30	Additional Disclosure pursuant to Reserve Bank of India Direction vide Circular No- DNBS (PD).CC No.047/03.10.119/2015-16 dated July 1, 2015.																		
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Note-31	Additional Disclosure pursuant to Reserve Bank of India Direction vide Circular no. RBI/2014-15/299, DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10,2014.																		
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #FFD700;"> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">REMARKS</th> </tr> </thead> <tbody> <tr> <td>1.Capital to risk (Weighted) Assets Ratio</td> <td>Refer Note No. 30.</td> </tr> <tr> <td>2.Investment</td> <td>Nil</td> </tr> <tr> <td>3.Derivatives i) Forward Rate Agreement/ Interest Rate Swap ii) Exchange Traded Interest Rate (IR) Derivatives iii) Disclouser ob Risk Exposure in Derivatives iv) Forward rate agreement / interest rate swap</td> <td>The company has not entered into any derivative transactions in the current and previous years.</td> </tr> <tr> <td>4. Disclosure relating to Scuritisation 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</td> <td>The Company has undertaken Loan Portfolio assigned by Arohan 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-22 and 23.</td> </tr> <tr> <td>5.Details of non performing financial assets purchased /Sold i) Details of non performing financial assets purchased : ii) Details of non performing financial assets sold:</td> <td>The Company has not purchased/sold any non performing financial assets.</td> </tr> </tbody> </table>	Particulars	REMARKS	1.Capital to risk (Weighted) Assets Ratio	Refer Note No. 30.	2.Investment	Nil	3.Derivatives i) Forward Rate Agreement/ Interest Rate Swap ii) Exchange Traded Interest Rate (IR) Derivatives iii) Disclouser ob Risk Exposure in Derivatives iv) Forward rate agreement / interest rate swap	The company has not entered into any derivative transactions in the current and previous years.	4. Disclosure relating to Scuritisation 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	The Company has undertaken Loan Portfolio assigned by Arohan 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-22 and 23.	5.Details of non performing financial assets purchased /Sold i) Details of non performing financial assets purchased : ii) Details of non performing financial assets sold:	The Company has not purchased/sold any non performing financial assets.						
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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED (Formerly Janakalyan Consultancy & Services Pvt. Ltd)

6. Assets Liability Managements Maturity pattern of certain items of assets and liabilities. Details as on 31st March 2019.					
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	14.80	10.31	10.35	24.13	21.59
Investments	0.00	0.00	0.00	0.00	0.00
Borrowings	7.35	7.75	9.50	16.09	25.38

Particulars	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5years	Total
Deposits	0.00	0.00	0.00	0.00
Advances	7.77	0.00	0.00	88.95
Investments	0.00	0.00	0.00	0.00
Borrowings	31.76	14.90	0.00	112.73

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

7. Exposure i) Exposure to Real estate sector ii) Exposure to Capital Market.	The Company has no exposure to real estate and Capital Market directly or indirectly.
8. Details of Financing of parent company products: i) Details of single borrower limit (SGL) / Group Borrower limit (GBL) exceeded by NBFC ii) Unsecured Advances	Single borrower limit (SGL)/ Group Borrower Limit (GBL) has not exceeded by the Company. Portfolio Loan of Rs.88,95,05,908/-
9. Miscellaneous i) Registration obtained from other financial sector regulators ii) Disclosure of Penalties imposed by RBI and other regulators iii) Related Party Transaction iv) Rating assigned by credit rating agencies and migration of ratings during the year v) Remuneration of Directors vi) Net profit or loss for the period, prior period items and changes in accounting policies vii) Revenue Recognition	Ministry of Corporate affairs No Penalties Imposed by the RBI and other regulators during the Current year and Previous Year. Refer Note No-26. BB (CARE Ratings dated) Refer Note No-26. Nil Refer Note No-2.06.
10. Additional Disclosures i) Provisions and contingencies ii) Draw Down from Reserves iii) Concentration of Deposits, Advances, Exposures and NPAs a) Concentration of deposit (for Deposit taking NBFCs) b) Concentration of Advances c) Concentration of Exposure d) Concentration of NPAs iv) Overseas Assets (for those Joint Ventures and Subsidiaries abroad) as per accounting norms)	Refer Note No-31A Nil Not applicable as the Company is NBFC-ND-NSI. Refer Note No-31B. Refer Note No-31C Refer Note No-31D The NBFC has not any overseas Assets . Not applicable as the Company has not any SPVs.
11. Disclosure of Complaints	The company has not received any complaint during the Year.






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Note. 31A Breakup of Provisions and contingencies shown under the head Expenditure in Profit and Loss Statement.			
Particulars	31ST MARCH, 2019	31ST MARCH, 2018	
	₹	₹	
Provision for Income Tax	32,00,000	6,08,494	
Provision for Gratuity	11,28,144	-	
Provision towards NPA	52,990	68,081	
Provision for Standard Assets	88,42,069	69,88,448	
Note. 31B Concentration of Advances			
Particulars	31ST MARCH, 2019	31ST MARCH, 2018	
	₹	₹	
Total Advances to twenty Largest borrowers	8,00,000	6,00,000	
Percentage of total Advances to twenty Largest borrowers to total advance of the NBFC	0.09%	0.09%	
Note. 31C Concentration of Exposures			
Particulars	31ST MARCH, 2019	31ST MARCH, 2018	
	₹	₹	
Total Advances to twenty Largest borrowers	8,00,000	6,00,000	
Percentage of total Advances to twenty Largest borrowers to total advance of the NBFC	0.09%	0.09%	
Note. 31D Concentration of NPA'S			
Particulars	31ST MARCH, 2019	31ST MARCH, 2018	
	₹	₹	
Total Exposure to top four NPA accounts	35,319	24,790	
Note-32 Average rate of Interest, cost of borrowing and Margin			
Particulars	31ST MARCH, 2019	31ST MARCH, 2018	
	₹	₹	
Average Interest	25.16%	24.63%	
(a) Average cost of borrowing	15.58%	13.83%	
(b) Margin(a-b)	9.58%	10.80%	
Note-33			
Disclosure details as required in terms of Paragraph 13 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank of India) Directions.			
LIABILITIES SIDE		Amount Outstanding	Amount Overdue
1 Loans and advances availed by the NBFCs		Nil	Nil
a. Debentures: Secured		Nil	Nil
Unsecured			
(other than failing within the meaning of public deposits)		Nil	Nil
b. Deferred Credits		1,12,73,17,254	Nil
c. Term Loans		Nil	Nil
d. Inter-corporate loans and borrowing		Nil	Nil
e. Commercial paper		Nil	Nil
f. Public Deposits		Nil	Nil
g. Other Loans (Cash Credit facility)		Nil	Nil
Total		Nil	Nil
2 Break-up of (1)(f) above (Outstanding public deposits Inclusive of interest accrued thereon but not paid) :		Amount Outstanding	Amount Overdue
a. In the form of unsecured debentures		Nil	Nil
b. In the form of partly secured debentures i.e. debentures		Nil	Nil
c. where there is a shortfall in the value of security		Nil	Nil
d. Other public deposits		Nil	Nil
Total		Nil	Nil







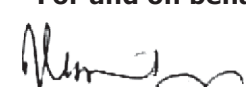
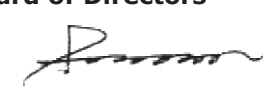

JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED (Formerly Janakalyan Consultancy & Services Pvt. Ltd)

3 ASSETS SIDE				
Break-up of Loans and advances including bills receivables (other than those included in (4) below) :		Amount Outstanding (in Rs.)		
a. Secured				
b. Unsecured (see schedule)	88,95,05,908	88,95,05,908		
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	88,95,05,908	88,95,05,908



[Handwritten Signature]

JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED (Formerly Janakalyan Consultancy & Services Pvt. Ltd)

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	52,990	52,990
II.	Net Non-performing Assets		
	a. Related parties	Nil	Nil
	b. Other than related parties	Nil	Nil
III	Assets acquired in satisfaction of debt		
Note-34	Previous Year Figures		
Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.			
For SRB & Associates Chartered Accountants Firm Registration No. 310009E  Biswanath Paul (Partner) M. No.068186 Place : Kolkata Date :27/04/2019 		For and on behalf of the Board of Directors  Sunanda Kr. Mitra Chairman  Alok Biswas Managing Director  Anindita Chanda Company Secretary	

Centre Meetings in Progress





Partners

BANKS/FIs



NBFCs



Technology Partner



Insurance Partners

Industry Associations





Janakalyan Financial Services Pvt Ltd.

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Email : info@janakalyan.net

Website : www.janakalyan.net

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

Jagdishpally, Kolkata - 700 074