



ANNUAL REPORT

2022-23

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YEAR AT A GLANCE



What makes us who we are

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

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

– Barbara Kingsolver



VISION

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



MISSION

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



FINANCIAL PARAMETERS



Gross Assets under
Management (AUM)
Rs.147.05 Cr



Active Borrowers
75,778



Total Income
Rs. 23.76 Cr



Profit After Tax
Rs. 1.02 Cr



Return on equity (ROE)
2.26%



Capital Adequacy
46.06%



Credit Rating
BBB- (stable outlook)



Chairman Speak

Dear Shareholders,

This year, I have no hesitation in saying that the worst of the Covid pandemic is now truly and firmly behind us. The growth has resumed in the microfinance sector with the ecosystem turning positive and eager to catch up with the lost time and opportunities. The last two years tested the resilience of your Company and I am happy to note that the Company was able to successfully navigate through the difficult times by the dint of hard work and strength of character shown by the Janakalyan team ably guided by the leadership and members of the Board.

I am delighted that your company registered a positive growth of close to 10% from AUM level of Rs 134 Cr to Rs 147 Cr during the last financial year. Although this was a relatively modest growth vis-a-vis the sector's achievement, the fact that we have achieved this after two years of relentless decline has instilled confidence across the organization. We have now set a realistic growth target during the current year to reach AUM level of Rs 250 Cr by 31/03/2024, led by major contributions from our supportive BC partners.

Our net profit during the year at Rs. 1.02 Cr. was less than the previous year owing to need-based provisioning and writing off an amount of Rs.1.4 Cr. from own and managed books during the year 2022/23 against sticky over-dues exceeding 365 days. Efforts are on to recover from written off accounts and you will be happy to know that a sum of Rs 1.3 Cr. was recovered from such accounts during the last FY. During the year, a total sum of Rs 137.2 Cr. was disbursed in both own and managed books as against Rs 87.3 Cr. disbursed in the previous year. We intend to sustain the growth momentum in the years ahead. I am happy to report that collection efficiency of the portfolio created post the pandemic has

remained close to 100%. Your Company could recover Rs 19 Cr from the restructured book last year and we are resolved to bring it down to a reasonable level during this year through incentive-based collection strategies and close monitoring by the senior management. The company's capital adequacy ratio remains strong at 46% as on 31/03/2023 against a requirement of 15%. Debt Equity gearing remains at a healthy level of 1.90 and DSCR at 1.35 which highlight significant leg room for growth in the future even without having to raise fresh equity. Your Company enjoys an external credit Rating of BBB- and a comprehensive MFI grading of M3C2 which indicates above average capacity to manage operations in a sustainable manner and good performance in the Code of Conduct Assessment.

Going forward, the Company will be strategically focused on building partnerships with banks and NBFCs for enlarging the managed books as part of overall AUM growth while continuing to maintain high standards of corporate governance, transparency and customer centricity. I am certain that Janakalyan will continue to deliver profitable and sustainable growth in the years ahead. I take this opportunity to express my heartfelt gratitude to our esteemed share-holders, institutional investors, lenders, customers, respected Board Members and our energetic staff members for their continuous support all through to sustain our journey over the last six years and to enable us to fulfil the organization's vision and mission in spreading financial inclusion and equitable growth in the rural heartlands.

Warm regards and best wishes.

Sunanda K Mitra
Chairman



Managing Director Speak



Dear Shareholders,

I am pleased to inform you that the microfinance sector has shown signs of recovery and growth, indicating that the worst of the COVID pandemic is now behind us. Your company has also experienced positive growth, with the Assets Under Management (AUM) increasing from Rs 134 Cr. to Rs 147 Cr. in the last financial year, representing a growth rate of approximately 10%. While this growth may be considered modest compared to the sector's overall achievement, it is significant considering the two years of continuous decline we have faced. This accomplishment has fostered a positive atmosphere throughout the organization.

I am also happy to report that the collection efficiency of the portfolio created post the pandemic has remained nearly 100%. Last year, your company recovered Rs 19 Cr. from the restructured book, and we are committed to further reducing it to a reasonable level through incentive-based collection strategies this year. Our aim is to maintain this positive momentum in the coming years.

Looking ahead, we have set a realistic growth target for the current year, aiming to reach an AUM level of Rs 250 Cr. by March 31, 2024. We are confident in achieving this target, with the majority of the growth expected to come from our managed books with the support of our BC partners.

We have partnered with ESAF Small Finance

Bank in this year for a range of products, including MSME, Micro LAP, Agri Loan , VVY etc. MSME initiative is part of our future-readiness road map, born out of our understanding of the landscape in which we operate our in-house capabilities, our growth aspirations and our target customer group. This initiative gives us the opportunity to serve markets adjacent to our existing business space and sustain our growth momentum. On our part, we wanted to expand our addressable market beyond the MFI space. From our customer's perspective, we understood that a large number of our microfinance clients aspired to move up the ladder. For this journey, they would require larger loans. An integral requirement of this customer segment is to assess the risk and disburse high-ticket loans for which we need more analytical and comprehensive credit assessment capabilities of their venture and cashflows. We propose to create a separate MSME vertical in our organisation shortly. Our Regulator, the Reserve Bank of India (RBI) deserves a lot of credit for creating a conducive policy environment for deepening financial inclusion. Microfinance sector is the strongest testament to that. The sector has undergone significant changes over the last decade. Regulated framework laid down in 2011 post Malegam Committee Report was only for the NBFC-MFIs. However, the sector has witnessed several changes since then with the Banks, SFBs and NBFCs increasing their focus on this sector. The RBI announced new harmonised guidelines

applicable to all regulated entities which were made applicable from April 1, 2022. Some of the key aspects addressed by these new guidelines are as follows: a) It directs a major policy shift to asset class-based regulations over 'legal form', effectively plugging the gap which was responsible for regulatory arbitrage. b) The new guidelines focus on better client credit assessment through the concept of FOIR (Fixed Obligation to Income Ratio). This endeavors to ensure that clients are not over indebted and are served adequately. Our focus remains on key strategic initiatives along with investments in technology, building newer capabilities, network and people will help us deepen our customer relationships

and expand our addressable market.

I would like to express my sincere gratitude to our esteemed shareholders, institutional investors, lenders, customers, respected Board Members, and our dedicated staff for their unwavering support. It is with their assistance that we have been able to continue our journey and fulfill our organization's vision and mission of promoting financial inclusion and equitable growth in rural areas.

Warm regards and best wishes.

Alok Biswas
Managing Director





THE PARTNERS AND ASSOCIATES



Corporate Details

Board of Directors

Mr. Sunanda Kumar Mitra

Promoter, Whole Time Director

Mr. Alok Biswas

Promoter, Managing Director

Mr. Atanu Sen

Independent Director

Mr. Asok Kumar Das

Independent Director

Mr. R V Dilip Kumar

Nominee Director

Other Senior Management

Mr. Sukumar Biswas

Sr. Vice President - HR, Admin & Training

Mr. Monoranjan Roy

Head-Accounts

Mr. Utpal Bose

Head Compliance

Mr. Debdulal Ghosal

Sr. Vice President - Head Operation

Mr. Sudhir Ghosh

Vice President – Inspection

Mr. Debesh Gon

Head- Centralised operations Hub and Nodal Officer

Mr. Chandan Nag

Zonal Head – Kishanganj Zone

Mr. Bhaskar Gharami

Zonal Head- Barsoi Zone

Mr. Ajoy Sarkar

Zonal Head - Ranaghat Zone

Mr. Palash Saha

Zonal Head- Duttapulia zone

Mr. Durgadatta Mohapatra

Zonal Head- Odisha zone

Mr. Abhijit Sarkar

AVP (Head Business Correspondent)

Chief Financial Officer

Mr. Arup Kumar Dutta

Auditors

M/s. SRB & Associates

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

Compliance & Company Secretary

Ms. Shivani Agarwal

Corporate Identity Number

U74999WB2016PTC216823

Address for Correspondence

Janakalyan Financial Services Private Limited

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

Reserve Bank of India, Registration No.

N-05.07035 dated 2nd March 2017



BOARD OF DIRECTORS



Sunanda Kumar Mitra

Promoter, Chairman

- Mr. S.K. Mitra is Co-Founder and Chairman of the Company. He started his professional career in commercial banking since 1974 spanning over 40 years, of which he spent the first 20 years with the State Bank of India holding wide-ranging roles. Subsequently, he joined UTI Bank (Axis Bank) and served in various roles, including National Head (Rural Banking) and National Head (Distribution).
- Post retirement from Axis Bank, Mr. Mitra joined Bandhan Bank as Business Head to assist in the transformation of the NBFC to a Scheduled Universal Bank in August, 2015.
- Mr. Mitra is an alumnus of Delhi University from where he graduated with Physics Honours in 1973 and subsequently did CAIIB from Indian Institute of Bankers, Mumbai and also a PDGBM.



Alok Biswas

Promoter, Managing Director

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



Atanu Sen

Independent Director

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



Asok Kumar Das

Independent Director

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



Ranganathan Varadarajan Dilip Kumar

Nominee Director

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



MANAGEMENT TEAM



Arup Kumar Dutta

Chief Financial Officer

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



Shivani Agarwal

Company Secretary & Compliance Officer

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



Sudhir Ghosh

Vice President – Inspection

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



Sukumar Biswas

Sr. Vice President – HR, Admin & Training

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



Monoranjan Roy

Head Accounts

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



Utpal Bose

Head Compliance

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



Debdulal Ghosal

Sr. Vice President – Head Operation

- 2 decades of experience in Micro Finance industry.
- Prior to Janakalyan , he has also worked in Bandhan & Jagaran Micro Fin Pvt Ltd as General Manager -Operation and extensive experience of operation in this sector.
- Arts graduate from Burdwan University & also MBA in HR.



Abhijit Sarkar

AVP (Head Business Correspondent)

- 17 years working experience in Micro Finance Industry in Operation and Inspection.
- B.A. (H)



MANAGEMENT DISCUSSION AND ANALYSIS

1. Introduction

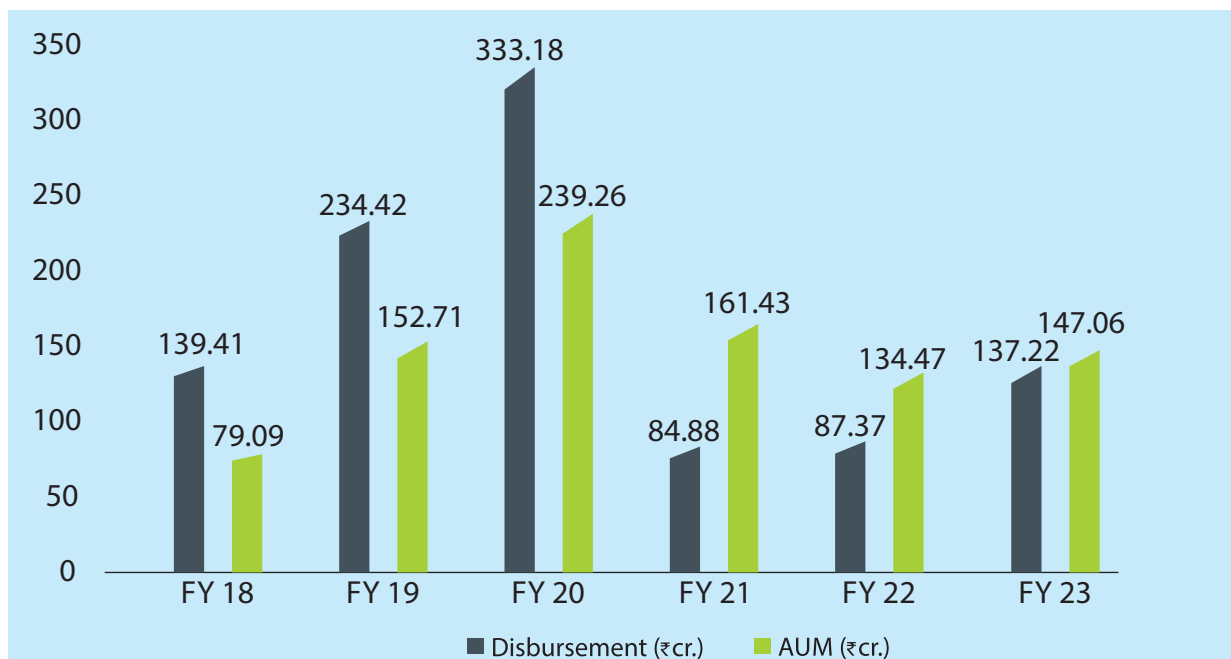
1.1 The year 2022-23 saw the emergence of the economy from the shadows of COVID pandemic, which had severely impacted the economic activities, including the microfinance industry for more than two years. Growth impulse was back in the microfinance industry as witnessed from the following pointers*:

- i. POS (industry) grew by 25.2% y-o-y as on 31/12/22 to ₹3.21 cr. (19% growth in active loan accounts).
- ii. POS (NBFC-MFI) grew by 41.37% y-o-y as on 31/12/22 to ₹1.23 cr. (26% growth in active loan accounts).
- iii. NBFC-MFI PAR 90 declined to 8.36% (31/12/22) from 9.1% (31/12/21).
- iv. NBFC-MFI disbursements grew by 48.5% and average disbursement size by 14% (₹41,248) y-o-y.

* As per MFIN Micrometer report as on 31/12/2022

1.2 While there was improvement in portfolio quality, resulting in reduction in PAR, yet concerns regarding the restructured portfolio continue. There was an easing of debt funding; however, funding still constrained for small and medium MFIs. The year also witnessed a slight creeping up of cost of borrowing due to increase in Repo rates.

1.3 During the year, ₹137.22 crore was disbursed to the borrowers. This included ₹84.69 crore under own book and ₹52.54 crore under the managed book. Overall disbursement grew y-o-y by 57%, led by 114% growth under BC portfolio. Own fund disbursement grew by 35%. Momentum was slow during Q1 and partly Q2 but picked up significantly during Q3 and Q4. The disbursement figure would have been higher if the debt funding of ₹16 crore that was received during the last four days of the FY would have been received earlier. The trend of disbursement and outstanding AUM since FY2018 is depicted in the chart below.



1.4 The AUM grew to ₹147.06 crore as on 31/03/2023 from ₹134.47 crore last year (y-o-y growth of 9.36%). The growth was led by BC portfolio, which grew 36.27% y-o-y basis.

Share of BC in AUM rose to 36% from 29% last FY. ESAF SFB was added as BC relationship during Q4. which contributed ₹2.25 cr. to the loan portfolio.

Besides, the Company tied-up with Ananya Finance during the year for co-lending business.

1.5 A snapshot of operational metrics as on 31/03/23 and y-o-y change is provided in the table below. With disbursements having considerably ramped up during the year, all productivity ratios have improved over last year (FY-22).

Metric	FY23 (As on 31/03/2023)	FY22 (As on 31/03/2022)	Y-o-Y Change
No. of Branches	75	75	-
No. of States covered	6	6	-
No. of District Covered	31	31	-
No. of Members	1,90,917	1,74,889	16,028
No. of Active Borrowers	73,777	79,678	(5,901)
No. of Field Officers	244	269	(25)
No. of Employees	400	438	(38)
No. of Loans Outstanding	74,574	82,204	(7,630)
Loan Amount Outstanding (₹ cr.)	147.05	134.47	12.59
<i>Of which BC Portfolio (₹ cr.)</i>	<i>53.54</i>	<i>39.29</i>	<i>14.25</i>
Loan Amount Disbursed During the FY (₹ cr.)	137.22	87.37	49.85
No. of Loans Disbursed During the FY	41,841	28,115	13,726
No of Borrowers per FO	302	296	6
Loan Outstanding Per Branch (₹ cr.)	1.96	1.79	0.17
Average Loan Size Outstanding (₹)	19,720	16,358	3,362
Average Ticket Size Disbursed During the FY (₹)	32,796	31,076	1,720

2. Operations

2.1 No new branch was opened during the year as it was decided to consolidate business in existing branches with enough headroom available for growth. The portfolio concentration in the States of West Bengal and Bihar were 62.05% and 26.93% respectively in March, 2023. While the portfolio concentration increased by ~3% in case of West Bengal, it declined by 4% in case of Bihar. In the rest four States i.e., Odisha, Jharkhand, Assam and Tripura, the portfolio concentration varied from 1.04% (Assam) to 4.75% (Jharkhand).

2.2 With regards to district-wise portfolio distribution, the portfolio concentration was highest (26.29%) in Nadia district in West Bengal, followed by Murshidabad district in West Bengal (14.93%) and Kishanganj district in Bihar (9.75 %). The remaining districts had portfolio concentration < 9%.

2.3 The collection efficiency of the portfolio created post COVID pandemic continued to be around 100% throughout the year. However, the collection efficiency of the restructured portfolio (₹23.04 crore as on 31/03/2023) was much lower in comparison. The Principal



amount recovered from the restructured book during the year was ₹18.97 crore. Various measures were undertaken to improve overdue collections, particularly from relatively sticky higher PAR bucket cases. These included payment of incentives against defined targets, offering interest waiver to select

customers, rationalizing Group size and close monitoring and periodic review by the top management. Besides, borrowers were also encouraged to use the digital channels for paying their dues.

2.4 Sector-wise, Tenor-wise, Loan Cycle-wise and Loan Ticket-wise distribution of the portfolio are given below :

i Sector-wise

Sector	No. of Loans (As on 31/03/2023)	Principal Outstanding (₹ crore) (As on 31/03/2023)	Share (As on 31/03/2023)	Share (As on 31/03/2022)
Agriculture	35,709	65.90	44.81%	54.45%
Animal Husbandry	2,215	3.53	2.40%	3.40%
Artisan	795	1.16	0.79%	1.15%
Live Stock	814	1.70	1.16%	0.66%
Service Sector	1,928	3.03	2.06%	2.98%
Small Business	30,788	68.39	46.51%	34.08%
Small Road Transport Operator (SRTO)	1,055	1.90	1.29%	1.51%
Village & Cottage industry	1,2707	1.44	0.98%	1.76%
Total	74,574	147.05	100.00%	100.00%

The share of Agriculture and Allied sector portfolio decreased by around 10% and there was almost a commensurate growth in the share of Small Business by just above 12%; indicating the resumption and gathering momentum of small business activities after the disruption caused due to the COVID pandemic.

ii Tenor-wise

Tenor	No. of Loans (As on 31/03/2023)	Principal Outstanding (₹ crore) (As on 31/03/2023)	Share (As on 31/03/2023)	Share (As on 31/03/2022)
Up to 12 months	45,339	64.65	43.96%	55.88%
More than 12 months to 24 months	29,235	82.40	56.04%	44.12%
Total	74,574	147.05	100.00%	100.00%

The share of portfolio outstanding in the tenor (12-24 months) increased to 56% as on 31st March, 2023 from 44% as on 31st March, 2022. This is due to average ticket size of loans increasing to above ₹30,000/- (₹32,796/-) during the year as a consequence of higher cycle loans being provided to more seasoned borrowers.

iii Loan Cycle-wise

Cycle	No. of Loans (As on 31/03/2023)	Principal Outstanding (₹ crore) (As on 31/03/2023)	Share (As on 31/03/2023)	Share (As on 31/03/2022)
1st Cycle	24,038	43.66	29.69%	17.00%
2nd Cycle	18,027	29.33	19.95%	30.88%
3rd Cycle	18,137	38.15	25.94%	35.68%
4th Cycle	10,508	26.21	17.83%	13.16%
5th Cycle	3,864	9.70	6.60%	3.28%
Total	74,574	147.05	100.00%	100.00%

With continuing maturity of existing borrowers, the share of 4th and 5th cycle loans increased to above 24% in FY23 from under 17% in FY22. The share of new borrowers (to Janakalyan) also increased by nearly 13% as a consequence of intensive drive to reach out to fresh customers.

iv Loan Ticket-wise

Ticket size (in ₹,000)	No. of Loans (As on 31/03/2023)	Principal Outstanding (₹ crore) (As on 31/03/2023)	Share (As on 31/03/2023)	Share (As on 31/03/2022)
2-5	5	-	0.00%	0.00%
5-10	933	0.49	0.33%	0.44%
10 to 15	1,217	1.13	0.77%	0.73%
15 to 20	10,115	9.66	6.57%	9.77%
20 to 30	33,069	53.37	36.29%	44.94%
30 to 50	29,235	82.40	56.04%	44.12%
Total	74,574	147.05	100.00%	100.00%

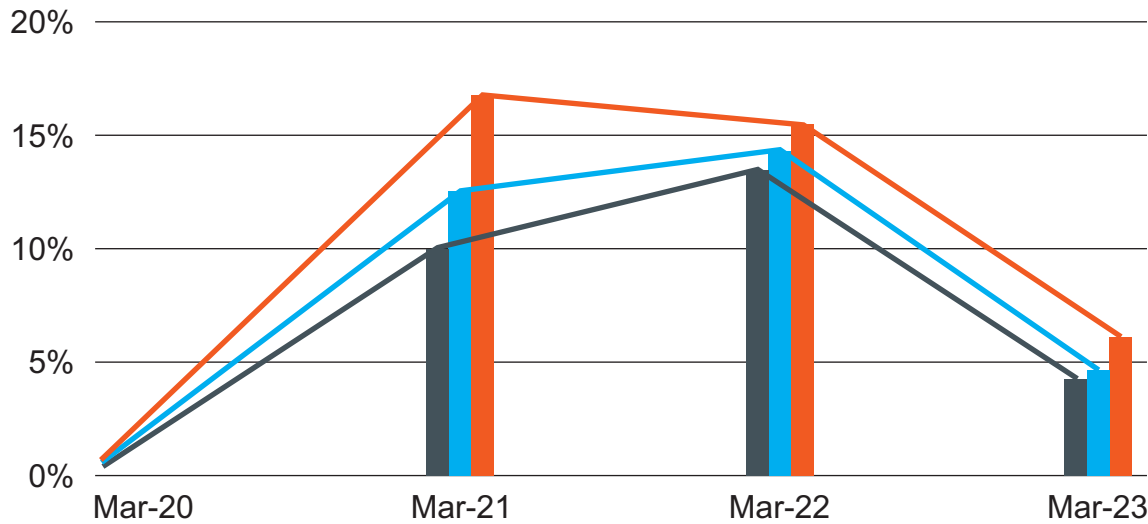
The share of loans above ₹20,000/- grew to 92% in FY23 from 89% in FY22.

3. Portfolio Quality

- 3.1 The Company, with the approval of the Board, had implemented the Resolution Framework 2.0 with effect from 15th July, 2021. The resolution involved granting of moratorium to 65,040 select loan accounts (POS: ₹71.18 crore) till 30th November, 2022 basis the eligibility criterion detailed in the RBI Circular. The portfolio outstanding of these restructured accounts stood at ₹23.04 crore as on 31st March, 2023. This comprises 15.67% of the Company's total loan portfolio. The aggregate collections against deemed demand of this portfolio since the date of restructuring has been around 60%.
- 3.2 With impact of COVID having largely dissipated, the portfolio quality improved significantly during the year. All relevant PAR metrics (AUM basis), PAR30, PAR60 and PAR90 have reduced considerably over FY22. However, with regards to own book PAR, PAR30 and PAR60 have increased over Q3FY23 as the moratorium provided to the restructured book (which constitutes 24.64% of own book) got over as on 30/11/2022. The details are provided in the graph and chart below:



PAR Movement (AUM)



	Mar-20	Mar-21	Mar-22	Mar-23
PAR > 30	0.57%	17.03%	15.42%	6.44%
PAR > 60	0.52%	12.81%	14.61%	4.43%
PAR > 90	0.44%	10.12%	13.64%	3.34%

Own Portfolio PAR Movement

Bucket	Mar-20	Mar-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
PAR > 30	0.57%	4.32%	0.19%	0.22%	0.35%	0.35%	4.63%
PAR > 60	0.52%	2.15%	0.15%	0.15%	0.30%	0.31%	1.57%
PAR > 90	0.44%	1.32%	0.10%	0.11%	0.23%	0.28%	0.00%

3.3 During the year, own book (PAR 90) portfolio loan amounting to ₹64.91 lakh and managed book (PAR 365) portfolio loan amounting to ₹74.56 lakh were written off.

3.4 The portfolio quality in respect of loans extended in the post COVID phase has been good. This is borne by the fact that PAR90 is just 0.07% in respect of the loans disbursed during FY23. The following table provides the bucket-wise PAR details for such loans.

	No. of Loans	(₹ cr.)
Disbursement - FY23	41,841	137.22
Total POS (31/03/2023)	40,146	99.11

PAR Bucket	No. of Loans	POS (₹ cr.)	PAR%
PAR < 30	23	0.07	0.07%
PAR 31-60	11	0.03	0.03%
PAR 61-90	7	0.01	0.01%
PAR 91-120	9	0.02	0.02%
PAR 121-180	14	0.03	0.03%
PAR 181-365	8	0.02	0.02%
Grand Total	72	0.18	0.18%

4. Financial Results

4.1 The Company has been able to perform creditably during the year. As on 31st March, 2023 (audited), the Asset Under Management (AUM) stood at ₹ 147.05 crore with PAT of ₹1.02 crore. The Company has earned profit for all the years of operation starting from FY 18 (the first full year of operation). The Company's current Net Worth stood at ₹45.52 crore. The key financial metrics are given below:

Particulars		FOR THE	FOR THE
		YEAR ENDED	YEAR ENDED
		31-03-2023	31-03-2022
		(₹ Lakh)	(₹ Lakh)
1	Revenue from Operations (i+ii)	1,857.47	2060.62
	(i) Interest Earned	1,734.13	1996.73
	(ii) Loan Processing Fee Earned	123.34	63.89
2	BC Commission	319.75	347.06
3	Total Other Income	198.40	203.53
4	Total Revenue (1+2+3)	2,375.62	2611.21
5	Total Finance Cost (a+b)	923.69	1081.60
	(a) Interest Expended	872.68	978.46
	(b) Loan Processing Fee Paid+Stamp Charges	51.00	103.14
6	Operating Expenses (aa+bb)	1,272.96	1233.37
	(aa) Employee Cost	798.06	768.95
	(bb) Other Operating Expenses (incl. depreciation)	474.90	464.42
7	Total Expenditure (5+6) (Excluding Provisions & Write-offs)	2,196.65	2314.97
8	Operating Profit (4-7) (Profit before Provisions & Write-offs)	178.97	296.24
9	Provisions for Loan Loss + Write-offs	55.53	65.79
10	Profit Before Tax (PBT) (8-9)	123.44	230.45
11	Tax Expenses	21.51	25.86
12	Profit After Tax (PAT) (10-11)	101.93	204.58
13	Net Interest Income (NII)	861.45	1018.27
14	Asset Under Management (AUM)*	14,705.32	13,447.48
15	Own Portfolio	9,352.19	9162.01
16	Net worth	4,551.94	4450.01
17	Capital Adequacy (CRAR)	46.06%	47.33%
18	NPA		
	(i) Gross NPA (₹ Lakh)	0	8.78
	(ii) Net NPA (₹ Lakh)	0	4.39
	(iii) % of Gross NPAs	0	0.10%
	(iv) % of Net NPAs	0	0.05%
19	Debt Raised during FY (₹ Lakh)	5,766	7375
20	Total Outstanding Borrowing (₹ Lakh)	8,628.43	8619.19

*Including Receivables from BC Partner/s



- 4.2 Revenue from operations of the Company primarily declined due to low collections from the restructured portfolio, which could not be disbursed as fresh loans and therefore, redeployed. Although disbursement under the managed book increased substantially, the bulk of it happened during the final two quarters and thereby having limited contribution to total revenue.
- 4.3 The finance cost declined by 1.58 crore during the year. This was the cumulative effect of three factors, (i) Lower fresh borrowing during the year (ii) Lower average borrowing outstanding position (by nearly 6 crore) and (iii) Replacement of relatively higher cost NBFC loans with low cost loans from banks and DFIs. Nearly 62% of the fresh borrowing during the year was from the banks/DFIs, where the rate of interest charged is significantly lower than that from the NBFCs. In terms of borrowing outstanding, share of banks/DFIs stood at 76%.
- 4.4 The Company follows a prudent provisioning policy as per the regulatory norms applicable to MFIs. As on 31st March, 2023, the Company provided for 1% of the outstanding loan portfolio (own book) in accordance with the extant RBI Notification. The Company wrote back provision of 55.65 lakh created against portfolio under RBI Regulatory Framework 2.0 as well as a provision of 23.84 lakh on managed portfolio. The provision on the managed book was reduced to 1% of the outstanding portfolio.
- 4.5 As noted earlier, during FY23, an amount of 139.47 lakh was written off from own and managed books. The written off amounts in the previous two financial years stood at 187.63 lakh (FY22 - Own portfolio) and 386.17 lakh (FY21-Own/Managed). Collection aggregating to 132 lakh from these write-off assets (till 31/03/2022) has been received by the Company as on 31/03/2023 and added to the Company's P&L. The Company expects such collections to continue in future as well, which will be a source of additional income for the Company. The company has written off these debts based on the principal of conservatism and prudent tax-efficient financial management.
- 4.6 The operating profit fell sharply by 117.27 lakh during the year due to lower revenues and slightly elevated operating expenses. Consequently, the PAT declined to 101.93 lakh (FY22: 204.58 lakh).
- 4.7 The Gross and Net NPAs on own portfolio are nil as on 31/03/2023 on account of PAR90 portfolio write off. However, further slippages are expected in the restructured portfolio during the ensuing financial year (FY24) and therefore additional write offs and provisioning are likely for FY24.
- 4.8 Fresh sanctions to small and medium MFIs, specially those operating in the East was largely muted during the year. Banks preferred higher rated NBFC-MFIs and in many cases were constrained by NBFC exposure limits. Fresh funding from NBFCs was difficult to come by as they were still not comfortable with Eastern India/West Bengal exposure. Consequently, only 57.66 crore could be raised by way of debt funding during the year (FY22: 73.75 crore), bulk of it, during Q2 (21.41 crore) and Q4(23.50 crore).
- 4.9 The average cost of borrowing as on 31st March, 2023 stood at 11.85% (FY22: 12.74%)., which is a reduction of 0.89% over FY22. As noted earlier, the reduction is due to the higher quantum of low-cost borrowings from banks/DFIs during the year. The margin improved by 5.19% to reach 14.15% as on 31st March, 2023 (FY22: 8.96%). The improvement is due to removal of cap on pricing of loans by NBFC-MFIs with effect from 01/04/2022, which can now price the loans to cover its cost of funding, operating expenses, credit costs and required margin. As on 31/03/2023, the Company priced its Kalyan loans at 26% p.a., which is within the range charged by its peers.
- 4.10 The Company continues to be well capitalized with the Capital to Risk Adjusted Assets (CRAR) at a healthy 46.06% against the regulatory requirement of 15%. While the Tier I Capital stood at 45.13%, Tier II Capital was at 0.93%.

5. Productivity

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

Sl. No.	Metric	As on 31/03/2023	As on 31/03/2022
	<u>Operational</u>		
1	Average AUM per loan officer (crore)	0.60	0.50
2	Average AUM per branch (crore)	1.96	1.79
3	Average Clients per loan officer	306	306
4	Average Clients per branch	994	1096
5	Operating Self Sufficiency Ratio (OSS)	105%	110%
6	Operating Expenses Ratio (OER)	9.62%	9.19%
7	Portfolio Yield	21.20%	21.15%
	<u>Financial</u>		
1	Net Interest Margin (NIM)	9.51%	10.79%
2	D/E Ratio	1.90	1.94
3	Debt Service Coverage Ratio (DSCR)	1.35	0.88
4	Net Profit Margin	5.49%	9.93%
5	Return on Equity (RoE)	2.26%	4.71%
6	Return on Total Assets (ROTA)	0.81%	1.53%

- 5.1 The operational productivity ratios remained largely range bound during the year.
- 5.2 The OER increased marginally during the year. This is due to a rise in employee cost of around 30 lakh on account of incentive payment. The OSS declined due to decline in revenue.
- 5.3 NIM declined by 1.28% during the year as a consequence of lower interest income earning by 262.60 lakh over last FY. The lower interest earning was partly offset by lower interest expenses by 105.78 lakh.
- 5.4 The Company's financial gearing was comfortable with Debt/Equity ratio at 1.90 as on 31st March, 2023 (as on 31st March, 2022: 1.94). The gearing improved as a result of lower fresh borrowing during the year and an increase in networth. There is enough headroom, therefore to leverage further in order to grow the asset book.
- 5.5 Profitability ratios declined due to decrease in PAT during the year.

6. Rating & Grading

- 6.1 The Company's external rating was upgraded to BBB- (Outlook: Stable) from BB+ (Outlook: Stable) at the end of the last financial year (rating letter dated 4th April, 2022) for fund-based facility of 200 crore by M/s Acuité Ratings & Research Ltd. Acuité has now reaffirmed (rating letter dated 2nd March, 2023) the long-term rating of 'ACUITE BBB-' on the 205.00 crore (including enhancement of 5.00 crore) bank facilities of the Company. The rating is valid till 18th March, 2024 The Rating has been placed under watch with “Developing Implications” as the impact of the proposed merger with Inditrade Microfinance Limited (IML) was still uncertain. M/s SMERA Gratings & Ratings Pvt. Ltd. has carried out a comprehensive grading exercise for Janakalyan during the year. The Company has been assigned a comprehensive MFI grading of 'M3C2', which is defined as, **above average capacity of the MFI to manage operations in a**



sustainable manner and good performance on COCA dimensions. The grading of 'M3' is **third** in an eight-point grading scale, with 'M1' being the highest and 'M8' being the lowest. The rating of 'C2' is **second** on a five point rating scale. The grading is valid for a year, till **28th December, 2023**.

The SMERA grading methodology takes into consideration the following parameters :

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

The Code of Conduct report evaluates the entity's adherence to nine code of conduct parameters or dimensions. In the harmonized COCA tool, the dimensions are classified in three categories – highest order, higher order and building blocks. This grading is based on the harmonized COCA tool. The scores obtained by the Company on each of the dimensions are as under :

Code of Conduct Dimensions	Order	Code	COCA Score Assigned by SMERA
Sensitive Indicators	Highest	SEN	100%
Integrity and Ethical Behaviour	Higher	IEB	88%
Transparency	Building Block	TRP	93%
Client Protection	Building Block	CLP	82%
Governance	Building Block	GOV	73%
Recruitment	Building Block	REC	85%
Client Education	Building Block	CLE	86%
Feedback & Grievance Redressal	Building Block	FGR	88%
Data Sharing	Building Block	DSR	96%

7. Human Resources

- 7.1 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 on IT, Operations, COCA at periodic intervals. The senior employees were provided trainings on Leadership Development, Corporate Governance and Soft Skills. A total of 278 training programmes covering 1,324 employees were conducted during the year.
- 7.2 The Company's total staff strength declined by 38 during the year, largely from the cadre of Field Officers. Since fresh recruitments were made only against resignations and no new branches were added, the staff count remained range bound. Field Officers constitute 61% of the total staff. The percentage of female employees increased to 25.50% from 23.29% last year.

Staff Category	Mar-23	Mar-22
ZH/CH	22	22
HO	48	58
BH/ABH	86	89
Field Officer	244	269
Total	400	438

- 7.3 The overall staff attrition for FY22 stood at 21.1%. This compares very favorably with the rate reported for the industry by MFIN. For the NBFC-MFI industry, while the overall attrition was at 56.3%, it was highest in respect of the Large MFIs at 57.2% followed by Medium MFIs at 46.3% and Small MFIs at 36.8%. The attrition was the highest at the probationer level for all types of entities.
- 7.4 A Capacity Building programme was organized at HO in collaboration with the National Board for Workers Education and Development wherein relevant concepts in the areas of Finance, Team Building and Leadership were explained to the participants.

8. Risk Management

- 8.1 The Company has a Board approved Risk Management Policy. The Board periodically reviews the risks faced by the Company and the systems and procedures in place to manage the same. The company has developed Key Risk Indicators (KRIs) with regards to 20 critical parameters, categorized under Operational, Credit, Liquidity/ALM, Interest Rate and Compliance Risk areas. The Risk Management Committee (RMC), which meets every month reviews the movement of various types of risks that the Company is exposed to during the month under review and suggests appropriate corrective measures to the line departments.
- 8.2 The KRIs that were of concern during the year related to portfolio quality (PAR, Overdue and OTR), cash flow, client drop-out ratio and regulatory compliances (qualifying asset criteria). While the Company noted lowering of risks in these KRIs as compared to FY22, yet their values (excepting cash flow) continued to be in the high-risk zone, necessitating their continuous monitoring by the RMC.
- 8.3 Portfolio concentration in the States of West Bengal (62.05%) and Bihar (26.93%) and districts like Nadia (26.29%) and Murshidabad (14.93%) are matters of concern. Concerted efforts need to be undertaken to geographically diversify the portfolio.
- 8.4 The ALM Risk is mitigated by ensuring matched funding without any adverse mismatch in structural liquidity. As on 31st March, 2023, the Company has positive mismatches for all buckets excepting for 1-3 years and over 5 years' time bucket. The negative mismatch in 1-3 years bucket is the result of availing long term borrowing from Bank and FIs while giving short term loans to borrowers. The negative mismatch in over 5 years' time bucket is on account of equity capital and reserves & surplus, which are long term in nature. However, cumulatively, there is a positive mismatch in all the buckets. This indicates that total inflows are more than outflows and therefore, the company has enough funds to repay its future liabilities arising out of borrowings.
- 8.5 As per extant RBI guidelines, the net cumulative negative mismatches in the maturity buckets of 1-7 days, 8-14 days, and 15-30 days shall not exceed 10%, 10% and 20% of the cumulative cash outflows in the respective time buckets. The company's structural liquidity position is in conformity with the RBI guidelines.

9. Inspection

- 9.1 The Company lays great importance on internal inspection of branches/offices in order to ensure that these are run in accordance with the established policies of the organization without any deviation. The Internal Inspection Department undertakes independent examination, verification and review of accounting, financial and field level activities performed by the branch officials in accordance with the approved and documented guidelines of the Company and ensures correction of the deviations identified in course of inspection. It has four components of evaluation, viz., Process Management, Pre-Disbursement Check (PDC), Loan Utilisation Check (LUC) and Branch Compliance. The Process Management is a software driven online process to evaluate the branch functioning. It has fifty-two indicators covering six broad areas of branch functioning. The evaluation is done on a scale of hundred marks and branches are graded as under:



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

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

9.3 During the year under review all the 75 branches were inspected. Of these, 74 branches were graded as A and 1 branch was graded as AA. None of the branches were graded as BB or B.

Grade	Mar-23	Mar-22
	No. of Branches (% of total)	No. of Branches (% of total)
AA	01 (1%)	0 (0%)
A	74 (99%)	61 (81%)
BB	0 (0%)	14 (19%)
B	-	-
Total	75	75

9.4 Performance Review meeting of the Internal Inspection Department is held every month, which is also attended by senior management in order to exchange thoughts on improving the effectiveness and productivity of the department. The forum is also used to deliberate on critical trends and relevant developments in the industry having a bearing on the inspection process. During the year, 13 such meetings were held, out of which 9 meetings were held at the branch offices in Ranaghat and the remaining at Head Office.

10. Information Technology

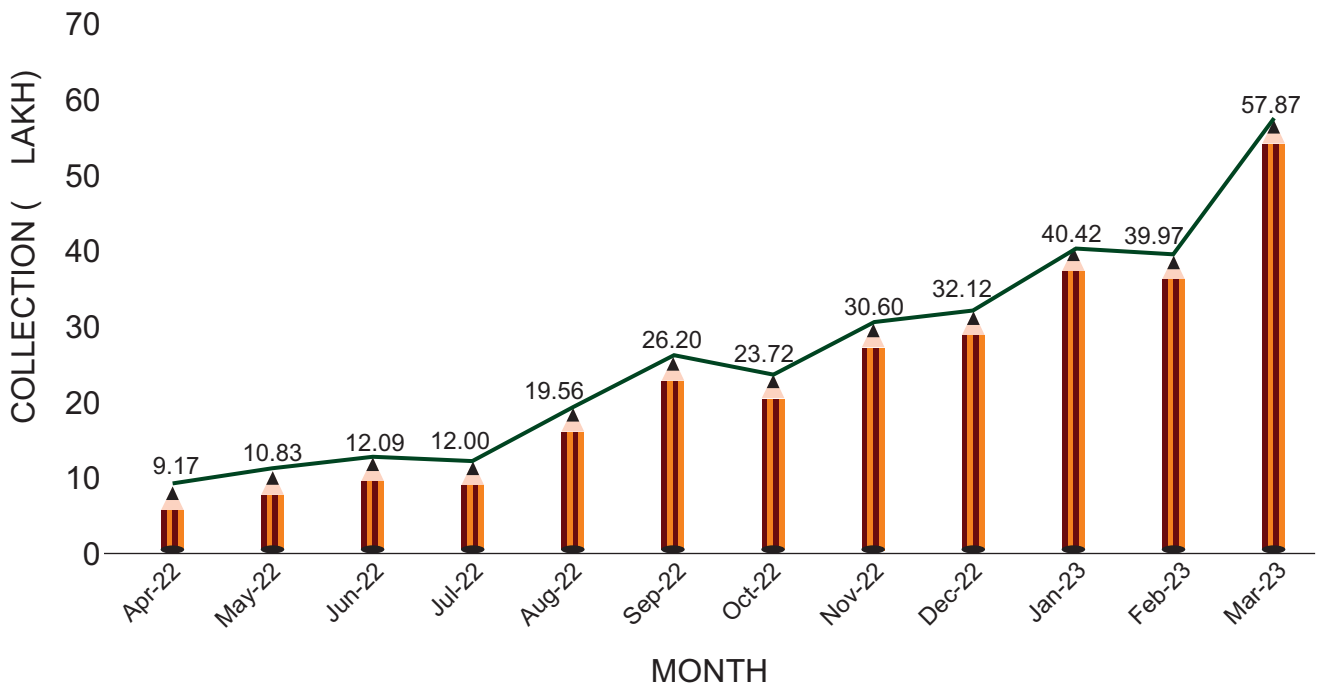
10.1 Janakalyan continues to bring about greater efficiency and cost effectiveness in its operations through extensive use of technology. The following additional modules have been automated during the year:

- i. Upload of Business Correspondent data
- ii. Update of customer mobile number
- iii. Credit Bureau Submission data
- iv. Leave Application Module
- v. Monitoring Module
- vi. Activity Tracker
- vii. Loan Premature Closure Statement
- viii. Employee Self Service App
- ix. Loan Card

10.2 The Company is fully complied with the IT/Data Security related guidelines delineated by RBI vide its Circular dated 14-Mar-2022.

10.3 The Company has made rapid strides during the year in the area of digital collection of EMIs from its borrowers. Collection through the Bharat Bill Payment System (BBPS) and Quick Response Code (QR code Scan & Pay) based collections. For the month of Mar-23, digital collections reached 5% of the total collections.

Digital Collection (FY-23)



10.4 For its various digital initiatives, the Company was declared as the “Winner” in the category of “Technology Innovations to Drive Financial Inclusion” by AMFI-WB during its 7th Eastern India Microfinance Summit-2023, held in Kolkata on 13th January, 2023.

11. Environment Social and Governance (ESG)

- 11.1 ESG initiative in Janakalyan is focused towards ensuring overall sustainable development in its area of operation and hence the environmental and social considerations play a significant role in the way it conducts its own business activities and interacts with all stakeholders.
- 11.2 Janakalyan has framed a Board approved ESG policy and constituted a four member committee headed by VP & Head- HR & Admin to take the initiatives forward. The scope of the Committee is to (i) Initiate necessary steps to disseminate information about the ESG policy and initiatives amongst the employees of the Company, (ii) Promoting a culture of compliance and ethics amongst the staff and (iii) Training on various safety related measures and eco-friendly waste disposal techniques.

12. Corporate Social Responsibility

- 12.1 Janakalyan continued to demonstrate its commitment to social welfare initiatives and interventions within its area of operation. The Company partnered with **Sreema Mahila Samity**, an NGO in Nadia district of West Bengal and **Society for Children (SOCH)**, a non-profit Organization based in Odisha for its CSR activities.
- 12.2 Sreema Mahila Samity has been provided financial assistance of 2.85 lakh under CSR to be spent for imparting education to school children from the marginalized communities through their Sishu Sikhya Kendra.
- 12.3 SOCH has also been provided financial assistance of 2.85 lakh under CSR to run a residential Child De-Addiction-cum-Behavior modification Program to wean slum children out of drug addiction and get them back to the mainstream to grow as responsible adults. The Project



duration shall be 2 months including a 1-month residential camp for children and pre-camp and post-camp activities for 15 days each. A complete scheme in this connection has been shared with the Company.

13. Outlook and Challenges

As noted in the “Introduction”, the growth momentum is well and truly back in the microfinance sector. Looking ahead, we believe that the need for intermediation and financial inclusion at the grass root level will continue to be present and further accentuated, particularly in the “Low Income States” of Eastern and North-Eastern India. The Company is structurally and strategically well poised to leverage these opportunities and will continue to pursue a sustainable, predictable and profitable business model that will generate sustainable returns to all the stakeholders. The Company while focusing on the following strategies, will be mindful of challenges of asset quality, regular funding and capitalization.

A. Grow off-book business substantially. Share of BC to rise to 46% of AUM by Mar-24.

- Onboarding of new BC Partner/s.
- Ramping up business from existing partners (Utkarsh, ESAF, IDBI).
- At least 15 new branches proposed in existing/new States as per requirement of the BC partner.

B. Continue efforts with all existing and potential lenders for borrowing.

- Continuously track and approach all lenders who have lent to the peer group MFIs. Specific efforts to raise low cost debt from bank/DFIs.
- Engage with arrangers.

C. Extensive monitoring of collection activity on a regular basis from HO.

- Ensure zero slippage from fresh loans.
- Improve gross collections from the portfolio under Resolution 2.0 through continuous monitoring/incentives, etc.

D. Impart greater emphasis on digital collection.

- Present collection from digital mode has reached ~5%.
- BBPS and QR Code based payment facility already implemented.
- Target to collect at least 25% of the EMIs through digital channel by Mar24.

E. New products/Higher ticket size loans may be considered depending upon business requirement.

F. Consolidation and better capacity utilization of the branches.

Cautionary Statement

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

For and on behalf of the Board of Directors

Sunanda Kumar Mitra
Chairman

Alok Biswas
Managing Director

DIRECTOR'S REPORT

Dear Members,

The Board of Directors are pleased to present the 7th Annual Report of your Company (“the Company” or “Janakalyan”) along with the audited financial statements, for the financial year ended March 31, 2023.

FINANCIAL RESULTS

Particulars	31 st March, 2023 (Rs. in Lakhs)	31 st March, 2022 (Rs. in Lakhs)
Total Revenue	2,375.62	2,611.21
Less: Total Expenses	2,252.18	2,380.77
Profit before Tax	123.44	230.44
Current Tax	28.25	29.90
Deferred Tax Liability	(6.74)	(4.04)
Tax of Earlier Years	-	-
Total Tax Expenses	21.51	25.86
Profit for the Year	101.93	204.58

OPERATIONAL PERFORMANCE

Operational performance for the financial year ended March 31, 2023 is summarized below:

The Company attained business performance by reaching out to 75955 active loan clients as on March 31, 2023.

The above was possible with the excellent efforts of 400 employees of the Company as of March 31, 2023, through 75 Branches, across 6 states and 22 districts in India.

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

CASH FLOW STATEMENT

The Cash Flow Statement for the year ended on March 31, 2023 prepared under the provisions of the Companies Act, 2013 is attached as a part of the Financial Statement of the Company

ANNUAL RETURN

The annual return (MGT-7) of the Company for the said financial year 2022-23, which is an integral part of this report, is available on the website of the Company at www.janakalyan.net

SHARE CAPITAL

During FY' 22-23, there was no change in Authorized Share Capital and Paid-up Share Capital of the Company. As on March 31, 2023,

the Authorized Share Capital of the Company was, Rs.50,00,00,000 (Rupees Fifty Crore) comprising of 5,00,00,000 (Five crore) equity shares of Rs.10/- (Rupees Ten only) each.

During FY' 22-23, there was no change in issued, subscribed and paid-up equity share capital of the Company. As on March 31, 2023 the issued, subscribed and paid-up equity share capital of the Company was Rs.25,35,08,630/- (Twenty-Five Crore thirty-five lakhs eight thousand six hundred and thirty rupees only).

DEPOSITS

During the period under review, the Company has not received or accepted any deposit from public and has retained its status as non-deposit taking NBFC. The financials do not contain any figures that come under the classification of deposits as specified under Chapter V of the Companies Act, 2013.

TRANSFER TO RESERVES

Considering the profit by the Company this year, Rs. 20.39 lakhs has been transferred to the Statutory Reserve as per Section 45-IC of Reserve Bank of India Act.1934 and an amount of Rs.2,016.85 is the accumulated balance in Statutory Reserve.

DIVIDEND

The Board of Directors shares the promoters'



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

MEETING OF BOARD OF DIRECTORS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

As of March 31, 2023, the Company had the following KMPs:

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

DECLARATION BY INDEPENDENT DIRECTORS

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

The Board expressed its satisfaction that the Independent Directors of the Company possess

requisite qualifications, experience, expertise, and hold the highest standards of integrity.

DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the profit and loss of the Company for that year;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis
- e. the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MFI GRADING

SMERA has assigned a Grading of “M3C2”; Above Average capacity of the MFI to manage its operations in a sustainable manner and good performance on code of conduct dimensions

COMPLIANCE WITH SECRETARIAL STANDARDS

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

CAPITAL ADEQUACY

Your Company is well-capitalized and had a capital adequacy ratio was 46.06% as on March 31, 2023, as against the minimum capital adequacy requirement stipulated for the Company by RBI of 15 % of its aggregate risk-weighted assets.

Your Company Net Owned Funds (NOF) on March 31, 2023, was Rs. 45.52 crores.

RESOURCE MOBILIZATION

During FY' 22-23, the Company has diversified its sources of funds and raised a sum of Rs. 57.66 Crore by way of short-term and long-term loans.

COMMITTEES DETAILS

As on March 31, 2023, the Company has 3 committees which govern and oversee different areas of the Company's operations ensuring regular guidance and monitoring. For further details please refer to Corporate Governance Report, which form the part of Directors' Report.

RELATED PARTY TRANSACTIONS

During the FY' 22-23, all related party transactions were in the ordinary course of business and at arm's length price basis and within the permissible framework of Section 188 and other applicable provisions of the Act and rules made thereunder.

The policy on Related Party Transactions, as approved by the Board, is displayed on the website of the Company i.e. www.janakalyan.net and the details of the transactions with related parties are provided in the Notes to financial statements.

PARTICULARS OF LOANS OR GUARANTEES OR INVESTMENTS

The company is a Non-Banking Financial Companies classified as NBFC-MFI registered under Chapter III-B of the Reserve Bank of India Act, 1934 with the business of giving of any loan to a person or providing any guaranty or security for due repayment of any loan availed by any person in the ordinary course of its business. Hence, provisions of Section 186 related to giving loan, providing security or guarantee in connection with the loan is not applicable to the organization. Further, during the financial year,

no investment was made by the company.

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

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

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

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

RISK MANAGEMENT POLICY

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



implementation of risk management practices in detail. The risk assessments are carried out regularly at all levels of the organisation to ensure appropriate management actions in a timely fashion.

C O R P O R A T E S O C I A L R E S P O N S I B I L I T Y

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

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

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

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

W H I S T L E B L O W E R P O L I C Y O R V I G I L M E C H A N I S M F O R D I R E C T O R S A N D E M P L O Y E E S

As per the provision of Section 177(9) of the Companies Act, 2013, read with rule 7 of the Companies (Meeting of Board and its Power) Rules, 2014, the Company is required to establish an effective vigil mechanism for Directors and Employees to report any genuine concern.

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

from retaliatory actions is also provided for in the policy.

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

D E T A I L S O F S U B S I D I A R Y / J O I N T V E N T U R E S / A S S O C I A T E C O M P A N I E S

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

D E T A I L S O F S I G N I F I C A N T A N D M A T E R I A L O R D E R S P A S S E D B Y T H E R E G U L A T O R S O R C O U R T S O R T R I B U N A L S I M P A C T I N G T H E G O I N G C O N C E R N S T A T U S A N D C O M P A N Y O P E R A T I O N S I N F U T U R E

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

I N F O R M A T I O N R E Q U I R E D U N D E R T H E S E X U A L H A R A S S M E N T O F W O M E N A T W O R K P L A C E (P R E V E N T I O N , P R O H I B I T I O N & R E D R E S S A L) A C T , 2 0 1 3

The Company has been employing women employees in various cadres with varied responsibilities. The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace and an Internal Complaint Committee in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, for reporting and conducting inquiry into the complaints made by victims on harassment at the workplace. The functioning of the Committee was carried out as per letter and spirit of the provisions of the Act.

During the financial year, the Company did not receive any complaint on sexual harassment.

INTERNAL FINANCIAL CONTROLS

The Board has adopted policies and procedures for ensuring orderly and efficient conduct of its business operations, including adherence to the company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanism, accuracy and completeness of the accounting record and timely preparation of reliable financial disclosures. In addition to the Internal Controls on Operations, the Board has laid emphasis on adequate internal financial controls to ensure that the financial affairs of the Company are carried out with due diligence.

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

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

NEW REGULATORY GUIDELINES ON MICRO FINANCE :

It is important to mention that, in March 2022, RBI came out with the new microfinance regulatory guidelines involving a massive change - more particularly in respect of (a) pricing methodology, (b) loan size, (c) proportion of qualifying assets, and (d) uniformity among all categories of lenders.

There is a shift from regulated pricing to competitive pricing based on internal cost structure. The individual loan size and purpose and number of lender restrictions have been done away with, thus rationalizing the loan quantum eligibility to Fixed Obligation to Income Ratio (FOIR). The obligatory Qualifying Asset proportion has been altered from 85% of Net Assets to 75% of Total Assets, which was operational since 1st April 2022. The company has to evolve suitable management strategies to stand up to the competitive environment created due to the rationalization in the guidelines for all lenders and the advent of competitive price evolution as also to conform to the qualifying assets guidelines.

OUR CUSTOMERS :

The core philosophy of Janakalyan Financial

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

BENEFICIARIES :

Direct : Your Company provides small loans directly to women beneficiaries (through Groups) who are engaged in income-generating activities and having necessary repayment capacity. The income generated out of the business activities directly contributes to their family income.

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

RBI GUIDELINES & SRO

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

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

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

The Board periodically evaluates the need for change in its composition and size. The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and



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

As on March 31, 2023, the Board consisted of 5 members which included two Executive Directors, two Independent Directors and one Nominee Director.

DETAILS OF COMMITTEES OF BOARD OF DIRECTORS

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

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

AUDITORS

- Statutory Auditor: Pursuant to the provisions of Section 139(2) of the Act and the Rules made thereunder, the Members at their first Annual General Meeting held on 22nd Day of September, 2022 had appointed M/s. SRB & Associates, Chartered Accountants as the Statutory Auditors of the Company for a term of two years, i.e. from the conclusion of the sixth AGM till the conclusion of eight AGM.
- Secretarial Auditor: The Company has approached M/s Prateek Kohli & Associates, Practising Company Secretary (Certificate of Practice No. 16457) as the Secretarial Auditor of the Company to undertake the Secretarial Audit of the Company for FY 2022-23.

STATUTORY AUDITORS' REPORT

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

DETAILS OF FRAUDS REPORTED BY THE STATUTORY AUDITORS

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

HUMAN RESOURCE MANAGEMENT & EMPLOYEE RELATIONS

The role of human capital in any organization is of utmost importance. More so in an organization like ours where a majority of employees are customer-facing to facilitate smooth delivery of our financial services. There is a fine balance between customer service and the achievement of performance targets. The Company aims to provide a suitable work environment that encourages a positive attitude and superior performance.

Policies relating to Human Resources are employee friendly and support an environment of accomplishment and satisfaction. The Company aims to provide the best training inputs and seamless growth opportunities ensuring that the culture of the organization is translated into business performance.

The Company also facilitates performance-linked incentives that will help the motivational levels of the workforce thereby sustaining growth and achieving targets

INFORMATION TECHNOLOGY

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

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

Being a responsible organization, Janakalyan tries to incorporate better social and environmental practices in its lending as applicable. To prevent investment in any harmful social and environmental project, the company has a dedicated Environmental and Social Management System, which has delineated excluded activities in compliance with country regulation, and UN's safeguard policy. It strives to adopt global best practices in environment, social and governance matters, to the extent applicable to the Company's operations.

CORPORATE GOVERNANCE

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

FAIR PRACTICE CODE

The Company has in place a Fair Practice Code (FPC) approved by the Board in compliance with the guidelines issued by RBI, to ensure better service and provide necessary information to

customers to take informed decisions. The FPC is available on the website of the Company at www.janakalyan.net The Board also periodically reviews the FPC to ensure levels of adequacy and appropriateness.

CUSTOMER GRIEVANCE

The Company has a dedicated Customer Grievance Cell for receiving and handling customer complaints/ grievances and ensuring that the customers are treated fairly and without any bias at all times. All issues raised by the customers are dealt with courtesy and redressed expeditiously.

ACKNOWLEDGEMENTS AND APPRECIATIONS:

Your Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, co-operation and dedication during the year. Your Directors sincerely convey their appreciation to the company's customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of the Board of Directors



Sunanda Kumar Mitra
Whole Time Director
DIN: 03521074



Alok Biswas
Managing Director
DIN:03141650



Annexure - I

CORPORATE GOVERNANCE REPORT

I. CORPORATE GOVERNANCE PHILOSOPHY

Janakalyan Financial Service Pvt Ltd (“the Company”) follows the highest standards of governance principles, given the profile of customers that the Company works with. This approach has helped the Company to weather the turbulent times that the Micro-Finance industry has faced from time to time. This approach has also demonstrated that the vulnerability to a financial crisis is reduced through acceptance of the Company's approach and practices by other stakeholders in the ecosystem in which the Company operates. It has also ensured sustained access to capital and debt markets on a continuing basis. The Company is committed to strengthening this approach through adoption of 'best in class' philosophy, systems and processes in the realm of governance.

In India, Corporate Governance standards for Private Companies are mandated under the Companies Act, 2013 (“CA 2013”). In addition to the above, Corporate Governance standards for Non-Banking Finance Companies (NBFCs) are also prescribed by the Reserve Bank of India.

The Company has always believed in implementing Corporate Governance guidelines and practices that go beyond meeting the letter of the law and has comprehensively adopted practices mandated in the CA 2013 to fulfil its responsibility towards the stakeholders. These guidelines ensure that the Board of Directors (“the Board”) will have the necessary authority to review and evaluate the operations when required. Further, these guidelines enable the Board to make decisions that are independent of the Management.

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

II. BOARD STRENGTH & REPRESENTATION

a. Composition and Category

As on March 31, 2023, our Board had 5 members, 2 of whom are Executive Directors, 3 Non-Executive Directors out of which 2 are Independent Directors and 1 Nominee Director. The Independence of a Director is determined by the criteria stipulated under Section 149 of the Companies Act, 2013 (“Act”) and the maximum tenure of independent directors is in compliance with the Act.

The List of Directors as on 31st March 2023

Sl. No.	Name of Directors	Designation
1	Mr. Sunanda Kumar Mitra	Chairman
2	Mr. Alok Biswas	Managing Director
3	Mr. Asok Kumar Das	Independent Director
4	Mr. Atanu Sen	Independent Director
5	Mr. R.V. Dilip Kumar	Nominee Director

During the year under review, all Independent Directors have confirmed and submitted declaration to the effect that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013. Independent Directors have also submitted declarations for the financial year 2023-24 confirming that they continue to meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013. The Board has taken on record the declarations submitted by the Independent Directors.

The members on the Board possess adequate experience, expertise and skills necessary to

manage the affairs of the Company in the most efficient manner.

b. Category and Attendance of Directors

During the Financial Year 2022-23, the board met 5 (five) times on May 14, 2022, August 20, 2022, October 10, 2022, November 11, 2022 and February 11, 2023 respectively. The details of the board meetings along with the attendance of each Director at the respective Board Meeting are tabled below :

Attendance of Directors During the Financial Year 2022-23

Sl. No.	Name of the Director	Category of Directors	No. of meetings attended in FY 22-23	Whether last AGM attended (22.09.2022)
1.	Mr. Sunanda Kumar Mitra	Whole-Time Director	Five	Yes
2.	Mr. Alok Biswas	Managing Director	Five	Yes
3.	Mr. Asok Kumar Das	Independent Director	Five	No
4.	Mr. Atanu Sen	Independent Director	Five	No
5	Mr. R V Dilip Kumar	Nominee Director	Nil	No

c. Disclosure of relationship between directors inter-se

None of the Directors of the Company are related to each other.

d. Number of shares and convertible instruments held by Non-Executive Directors

None of the Non-Executive Directors holds any share or convertible instrument of the Company

e. Information Placed before the Board

The Board has complete access to all the information of the Company, including inter-alia, the information to be placed before the Board of Directors as required under the Regulations. The important decisions taken at the Board/ Board Committee Meetings are communicated to the concerned Departments of the Company.

III. BOARD PROCEDURE AND CONDUCT

The agenda is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board to arrive at appropriate decisions. The agenda and related information are circulated in electronic form through mail. This has reduced paper consumption, thereby enhancing the sustainability efforts of the Company.

At Board Meetings, the Managing Director & CEO apprises the Board on the overall performance of the Company. The Board also, inter alia, reviews the strategy, annual business plan and capital expenditure budgets, quarterly, half-yearly and annual financial results, compliance reports on all laws applicable to the Company, performance of the Company, people, process matters, minutes of meetings of Committees of the Board. In addition, the Board is kept informed of all major events and other information as required from time to time.

IV. COMMITTEES OF THE BOARD

a. Audit Committee

The Committee met four times during the year. The Composition of the Committee is mentioned below :

Audit Committee Composition :

Sl. No.	Name	Chairman/Members
1	Mr. Asok Kumar Das	Chairman
2	Mr. Atanu Sen	Member
3	Mr. R V Dilip Kumar	Member



As on March 31, 2023 the Committee comprised of two (2) Independent Directors, one (1) Nominee Director all of whom are competent and have relevant finance exposure. The Chairman, Managing Director and the Chief Financial Officer are permanent invitees to the meetings of the Committee.

The Audit Committee met four (4) times during the year on May 14, 2022, August 20, 2022, November 11, 2022 and February 11, 2023 respectively. The time gap between any two meetings was less than 120 days.

Attendance of Directors :

Sl. No.	Name of the Member	Position	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Asok Kumar Das	Independent Director	Four	Four
2.	Mr. Atanu Sen	Independent Director	Four	Four
3.	Mr. R V Dilip Kumar	Nominee Director	Four	Nil

Terms of Reference of the Audit Committee are as follows :

a. Financial Reporting

The Committee shall review the following :

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

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

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

b. Nomination & Remuneration Committee

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

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

As on March 31, 2023 the Committee comprised two (2) Independent Directors and one (1) Nominee Director. The Chairman and Managing Director are permanent invitees to the meetings of the Committee.

The Company Secretary acts as the Secretary to the Committee.

Nomination & Remuneration Committee Composition :

Sl. No.	Name	Chairman/Members
1	Mr. Atanu Sen	Chairman
2	Mr. Asok Kumar Das	Member
3	Mr. R V Dilip Kumar	Member

The Committee met twice during the year on, May 14, 2022 and October 10, 2022.

Attendance of Director (NRC) :

Sl. No.	Name of the Member	Position	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Atanu Sen	Independent Director	Two	Two
2.	Mr. Asok Kumar Das	Independent Director	Two	Two
3.	Mr. R V Dilip Kumar	Nominee Director	Two	Nil

Terms of Reference

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

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

c. Corporate Social Responsibility Committee :

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

Composition :

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



During the financial year under review, the Committee met once on February 11, 2023.

Attendance of Directors :

Sl. No.	Name of the Member	Position	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Sunanda Kumar Mitra	Whole Time Director	One	One
2.	Mr. Asok Kumar Das	Independent Director	One	One
3.	Mr. Atanu Sen	Independent Director	One	One
4.	Mr. Alok Biswas	Managing Director	One	One

Terms of Reference

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

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

General Body Meetings :

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

Financial Year	Venue	Date	Time
2021-2022	CD-193,1 st Floor, Salt Lake City, Kolkata-700064	22 nd September 2022	11.00 AM
2020-2021	CD-193,1 st Floor, Salt Lake City, Kolkata-700064	20 th September 2021	03.00 PM
2019-2020	Video Conferencing	30 th September 2020	11.00 AM

General Shareholders Information

7th Annual General Meeting date, time and venue :

Date & Time : 29th Day of July, 2023 at 11.30 a.m.

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

Financial Year : April 01, 2022 to March 31, 2023

Address for correspondence:

Shareholders/ Investors may write to the Company Secretary at the following address:

Company Secretary

Janakalyan Financial Services Pvt Ltd

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

Email address: cs@janakalyan.net

Tel. No: 033 2337 0123

Website : www.janakalyan.net

Distribution of Shareholdings :

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

Means of Communication

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

Annexure - II

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

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

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

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

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

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

- 2. The Composition of the CSR Committee:**

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

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

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

Not Applicable

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

Nil

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

Rs. 2,84,32,917/-

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

Rs. 5,68,658/-



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

Nil

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

Nil

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

Rs. 5,68,658/-

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
2,85,000	0	NA	SreemaMahila Samity. CSR Registration number is CSR00026368	2,85,000	28.02.2023.
2,85,000	0		Society for Children CSR Registration number is CSR00003889	2,85,000	28.02.2023.

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

Nil

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

Nil

(d) Amount spent in Administrative Overheads

NIL

(e) Amount spent on Impact Assessment, if applicable

Not Applicable

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

NIL

(b) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
1	Two percent of average net profit of the company as per section 135(5)	5,68,658
2	Total amount spent for the Financial Year	5,70,000
3	Excess amount spent for the financial year [(ii)-(i)]	1,342
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
5	Amount available for set off in succeeding financial years[(iii)-(iv)]	0.00

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

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

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

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

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

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

Not Applicable.

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

Not Applicable.

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

Not Applicable.

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

Not Applicable.

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

Not Applicable.



SRB & Associates
CHARTERED ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF "JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED."

Report on the Audit of the Financial Statements.

Opinion :

We have audited the accompanying financial statements of **JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and its cash flows for the year then ended.

Basis for Opinion :

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

Key Audit Matters :

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



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

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

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





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

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

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

Management's and Board of Directors Responsibility for the Financial Statements :

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is



higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.





2. **A.** As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- 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;
 - 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;
 - The Balance Sheet, Statement of Profit and Loss and Cash Flows dealt with by this Report are in agreement with the books of account;
 - 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;
 - On the basis of written representations received from Directors as on March 31, 2023, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013;
 - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B to this report;
- B.** With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations as on 31st March 2023.
 - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses during the year ended 31st March 2023.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or Invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or Indirectly lend or Invest In other persons or entities identified in any manner whatsoever by or on behalf of the company ["Ultimate Beneficiaries"] or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
 - The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf' of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



- c. Based on such audit procedures as considered reasonable and appropriate by us In the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material miss-statement.
- e. The Board of Directors of the Company have not proposed any dividend for the year.
- f. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule II(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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



**Sunil Shah
Partner**

M. No. 052841

UDIN : 23052841BGUUMJ3177

Place: Kolkata
Date: 05/05/2023



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act To the Members of "JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED".

We have audited the internal financial controls over financial reporting of "**JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED**", as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.



Meaning of Internal Financial controls over Financial Reporting;

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kolkata
Date: 05/05/2023



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

**Sunil Shah
Partner
M. No. 052841
UDIN : 23052841BGUUMJ3177**



Annexure A to the Independent Auditor's report on the financial statements of JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED for the year ended 31 March 2023.

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
- (ii) (a) The Company is a Non Banking Financial Company (NBFC-MFI) engaged in micro finance activities. The company's business does not involve inventory, accordingly provision of clause 3(ii) of the order are not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not availed working capital limits in excess of five crore rupees, in aggregate. Accordingly provisions of clause 3(ii)b is not applicable to the Company.



- (iii) (a) The Company is a Non Banking Financial Company (NBFC-MFI) engaged in micro finance activities and its principal business is to give loans. Accordingly provisions of clause 3(iii)a is not applicable to the Company.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is Rs.842.88 lacs overdue amount upto 90 days in respect of loans given. The company is taking reasonable steps to recover the amount.
- (e) Since the Company's principal business is to give loan, clause 3(iii)(e) is not applicable.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has complied Section 185 and Section 186 of the Companies Act, 2013 in respect of loans granted, investment made and guarantee or security given.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.





- (b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted any loans or borrowings and interest thereon to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company Terms loans obtained are applied for the purposes which it was obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis has been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.



- (b) According to the information and explanations given to us, no report under subsection (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) The Company did not receive any whistle blower complaints during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements (refer note-22) as required by the applicable Accounting Standards.
- (xiv)(a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained registration vide registration no- N-05.07035.
- (b) The company was classified as NBFC-MFI by the Reserve Bank of India and was engaged in micro finance activities during the year.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any Group. Accordingly, clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.





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

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

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

Place: Kolkata
Date: 05/05/2023

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



**Sunil Shah
Partner**

M. No. 052841

UDIN : 23052841BGUUMJ3177

JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2023

		₹ in Lakh	₹ in Lakh
PARTICULARS	Note	31ST MARCH, 2023	31ST MARCH, 2022
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	2,535.09	2,535.09
Reserves & Surplus	4	2,016.85	1,914.92
		4,551.94	4,450.01
NON-CURRENT LIABILITIES			
Long Term Borrowings	5	2,414.87	3,714.67
Long term provisions		44.27	30.64
		2,459.14	3,745.32
CURRENT LIABILITIES			
Short Term Borrowings	6	6,213.56	4,904.52
Trade Payables	7		
-Total outstanding dues of micro enterprises and small enterprises		-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		28.14	20.98
Other Current Liabilities	8	24.52	25.36
Short Term Provisions	9	131.03	200.35
		6,397.25	5,151.20
TOTAL		13,408.33	13,346.52
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment and Intangible Assets	10		
- Property, plant & equipment		58.22	61.53
-Intangible Assets		11.36	18.42
Long term loans and advances	11	5,893.49	4,712.56
Deferred Tax Assets (Net)		8.44	1.69
		5,971.51	4,794.21
CURRENT ASSETS			
Cash and Cash Equivalents	12	1,811.28	1,129.11
Short term loans and advances	13	4,977.54	6,160.17
Other current assets	14	648.00	1,263.04
		7,436.82	8,552.32
TOTAL		13,408.33	13,346.52

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


Sunil Shah
(Partner)

M. No.052841


UDIN:23052841BGUUMJ3177


Date : 5/05/2023

Place : Kolkata

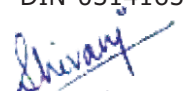


For and on behalf of the Board of Directors


Sunanda Kr. Mitra
Chairman
DIN-03521074


Alok Biswas
Managing Director
DIN-03141650


Arup Kumar Dutta
Chief Financial Officer


Shivani Agarwal
Company Secretary
M.No. A42303

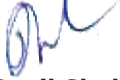


JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

PARTICULARS	Note	₹ in Lakh	₹ in Lakh
		31ST MARCH, 2023	31ST MARCH, 2022
Revenue from Operations	15	1,857.47	2,060.62
Other Income	16	518.15	550.59
Total Income		2,375.62	2,611.21
EXPENSES			
Employee Benefits Expenses	17	798.06	768.95
Depreciation and Amortisation expenses	10	22.43	23.45
Finance Cost	18	923.69	1,081.60
Other Expenses	19	452.47	440.97
Provisions and Write-offs	20	55.53	65.79
Total Expenses		2,252.18	2,380.77
Profit before Tax		123.44	230.44
Tax Expenses:			
(1) Current Tax		28.25	29.90
(2) Deferred Tax (Assets)/Liabilities		(6.74)	(4.04)
(3) Tax of Earlier Years		-	-
Total Tax Expenses		21.51	25.86
Profit for the Year		101.93	204.58
Earning Per Equity Share			
(1) Basic		0.40	0.81
(2) Diluted		0.40	0.81


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

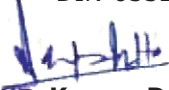

Sunil Shah
(Partner)
M. No.052841
UDIN:23052841BGUUMJ3177
Date : 5/05/2023
Place : Kolkata



For and on behalf of the Board of Directors


Sunanda Kr. Mitra
Chairman
DIN-03521074


Alok Biswas
Managing Director
DIN-03141650


Arup Kumar Dutta
Chief Financial Officer


Shivani Agarwal
Company Secretary
M.No. A42303

JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2023

Particulars	2022-23	2021-2022
	RUPEES (Lakh)	RUPEES (Lakh)
Cash Flow From Operating Activities :		
Profit Before Tax and extraordinary items	123.44	230.44
Adjustments for :		
Loan Loss Provisions	(83.94)	(121.84)
Depreciation	22.43	23.45
Loss on Sale of Fixed Assets	0.37	0.52
Operating Profit Before Working Capital Changes	62.29	132.58
(Increase)/Decrease in Micro Finance Loans	1,172.52	579.21
(Increase)/Decrease in Other Loans & advances	10.11	(6.43)
(Increase)/Decrease in Non Current Assets	(1,180.93)	380.20
(Increase)/Decrease in Other Current Assets	615.05	303.44
(Increase)/Decrease in Other Fixed Deposits	(25.00)	138.39
Increase/(Decrease) in Trade Paybles	7.16	(30.61)
Increase/(Decrease) in Current Liabilities	(0.83)	(60.91)
Increase (Decrease) in Provision for Taxation		(29.92)
Net Cash Provided By/(Used In) Operating Activities (A)	660.37	1,405.95
Cash Flow From Investing Activities Purchases of Fixed Assets	12.44	9.28
Net Cash Provided By/(Used In) Investing Activities (B)	(12.44)	(9.28)
Cash Flow From Financing Activities :		
Increase in Borrowings	9.24	(1,298.74)
Proceeds From Issuance of Share Capital	0.00	-
Net Cash Provided By/(Used In) Financing Activities (C)	9.24	(1,298.74)
Net Increase In Cash And Cash Equivalents (A+B+C)	657.17	97.93
Cash And Cash Equivalents At The Begining of The Year	1,114.10	1,016.17
Cash And Cash Equivalents At The End of The Year	1,771.28	1,114.10
Cash And Cash Equivalents Comprises of :		
1. Cash In Hand	2.54	18.19
2. Fixed Deposit with Bank	750.00	598.00
3. Balances With Scheduled Banks	1,018.74	497.91
	1,771.28	1,114.10

As per our report of even date annexed herewith


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


Sunil Shah
(Partner)


M. No.052841
UDIN:23052841BGUUMJ3177
Date : 5/05/2023
Place : Kolkata




For and on behalf of the Board of Directors


Sunanda Kr. Mitra
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DIN-03521074


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Chief Financial Officer


Shivani Agarwal
Company Secretary
M.No. A42303



JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

Note-1 NATURE OF OPERATION :

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

All financial transactions are conducted in group meetings organised near the inhabats 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 are prepared under historical cost convention, on accrual basis of accounting except for interest on Non Performing Asset and in accordance with the Generally Accepted Accounting Principle (GAAP). This financial statements comply with the provisions of the Companies Act, 2013 (previously Companies Act, 1956), the Companies (Accounting Standard) Rules, 2006, Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable, except otherwise stated and stipulated directions issued by Reserve Bank of India (RBI) for Non-Banking Financial (Non – Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 from time to time.

2.02 Use of Estimates

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

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

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

2.04 Tangible Assets

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

Depreciation.

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

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

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

2.06 Borrowing Cost

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



Audited Financial Statement 2022 - 2023

JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

2.07 Revenue Recognition

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

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

2.08 Retirement and other Employee Benefits

(i) The monthly contribution towards Provident Fund is charged to Profit and Loss Account for the year when the contribution to the respective fund is due. There are no other obligations other than the contribution payable to the respective funds.

(ii) The company estimates its liability towards Employees Gratuity based on an actuarial valuation done by LIC of India using the Projected Unit Credit Method done at the end of each accounting period.

2.09 Credit Rating

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

2.10 Taxation

(i) Tax Expenses comprise of Current and Deferred Tax. Current Income Tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax Act, 1961. Deferred Income Tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

(ii) Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet Date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

(iii) The carrying amount of the Deferred Tax Assets is reviewed at each Balance Sheet Date. The company writes down the carrying amount of the deferred tax assets to the extent that it is no longer reasonably certain or virtually certain as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such written-down amount is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

2.11 Classification of Portfolio Loans

Loans are classified as follows

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

2.12 Provision for loan losses

(i) At the end of each financial year, the Management reviews all the Micro Credit on overdue basis and written-down amounts are being made as per past experience and present condition of the borrowers.

(ii) The Provisioning Norms followed by the company are as follows:

Asset Classification	Arrear Period	As Per Reserve Bank of India Guidelines	Provision adopted by the Company for the Year 2022-23	Provision adopted by the Company for the Year 2021-22
Current Assets		0.40%	0.40%	0.40%
Standard Assets	Upto 90 days	0.40%	0.40% to 1%	0.40% to 1%
Sub Standard Assets	From 91 to 179 days	50%	50%	50%
Doubtful Assets	More than 180 days	100%	100%	100%

According to RBI Notification no. DNBR(PD).CC.047/03.10.119/2016-17 dated July 01, 2015, aggregate loan provision to be maintained by the NBFC-MFIs at any point of time shall not be less than the higher of a) 1% of the outstanding loan portfolio or b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.



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Audited Financial Statement 2022 - 2023



JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

2.13 Loan write-off policy

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

2.14 Earnings per Share

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

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

2.15 Provisions and Write-offs

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

2.16 Cash and Cash Equivalents

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

2.17 Contingent Liability and Contingent Asset

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



Audited Financial Statement 2022 - 2023

JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

Note-3 SHARE CAPITAL

₹ in Lakh

₹ in Lakh

Particulars	31ST MARCH, 2023	31ST MARCH, 2022
AUTHORISED		
5,00,00,000 (P. Y. :5,00,00,000) Equity shares of Rs.10/- each	5,000.00	5,000.00
	5,000	5,000
ISSUED, SUBSCRIBED AND PAID UP		
2,53,50,863 no (P.Y.2,53,50,863) paid up Equity shares of Rs.10/- each	2,535.09	2,535.09
	2,535.09	2,535.09

Terms/Rights attached to Equity Shares :

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

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

Name of the Shareholder	31ST MARCH , 2023		31ST MARCH , 2022	
	No. of shares	% of Holding	No. of shares	% of Holding
Sunanda Kumar Mitra	55,00,000	21.70%	55,00,000	21.70%
Alok Biswas	22,80,898	9.00%	22,80,898	9.00%
Loknath Agarwalla	16,11,509	6.36%	16,11,509	6.36%
Susim Mukul Datta	13,83,819	5.46%	13,83,819	5.46%
SIDBI Trustee Company Ltd -A/c Samridhi Fund	46,75,471	18.44%	46,75,471	18.44%
Sun Tech City Pvt. Ltd	32,05,128	12.64%	32,05,128	12.64%

The reconciliation of number of Equity Shares is set out below

Particulars	31ST MARCH, 2023	31ST MARCH , 2022
Number of Shares at the beginning	25,350,863	25,350,863
Add: Issue of Equity Shares during the Year	-	-
Number of shares at the end	25,350,863	25,350,863

Issue of Sweat Equity Shares

Particulars	31ST MARCH, 2023	31ST MARCH, 2022
Number of Shares at the beginning of the year	20,00,000	20,00,000
Add: Issue of Sweat Equity during the year	-	-
Number of Shares at the end of year	20,00,000	20,00,000

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

Shares Held by the Promoters at the end of the year

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

Note-4

RESERVES & SURPLUS	₹ in Lakh	₹ in Lakh
Particulars	31ST MARCH, 2023	31ST MARCH, 2022
A. Statutory Reserve		
Opening Balance	193.35	152.43
Add: Transfer from Surplus	20.39	40.92
	213.74	193.35
According to Section 45-IC of the Reserve Bank of India Act, 1934 every NBFC shall create a reserve fund and transfer therein a sum not less than 20% of the net profit of each year as disclosed in the Profit and Loss account.		
B. Share Premium		
Opening Balance	970.82	970.82
Add: Premium received during the year	-	-
Total Share Premium	970.82	970.82
C. Surplus in Profit and Loss Account.		
Opening Balance	750.75	587.08
Add: Profit for the Period	101.93	204.58
Amount available for appropriation	852.68	791.67
<i>Appropriation :</i>		
Transfer to Statutory Reserve	20.39	40.92
	832.29	750.75
TOTAL (A+B+C)	2,016.85	1,914.92



(Signature)

Audited Financial Statement 2022 - 2023



JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

NOTE - 5 : LONG TERM BORROWINGS

Terms of Repayment of Term Loan as on 31.03.2023

Figures (in Lakh)

Sl. No.	Banks / Financial Institutions	Balance as on 01.04.2022	Received during the year	Repaid during the year	Balance as on 31.03.2023	Nature of Security Hypothecation of Book Debts
SECURED LOANS/UNSECURED LOANS						
TERM LOAN FROM BANKS/FINANCIAL INSTITUTIONS						
1	Mas Financial Services Limited	212.50	-	181.25	31.25	Yes
2	Capital First Ltd	196.84	-	196.84	-	Yes
3	Sub-ordinated Debt of MAS Financial Services Ltd	300.00	-	300.00	-	-
4	State Bank of India	2,976.75	1,800.00	2,020.23	2,756.52	Yes
5	Union Bank of India TL	500.24	600.00	168.42	931.82	Yes
6	UC Inclusive Credit Pvt Ltd	18.28	-	18.28	-	Yes
7	Maanaveeya Development & Finance Pvt. Ltd	700.00	500.00	514.35	685.65	Yes
8	NABARD	300.00	-	300.00	-	Yes
9	Canara Bank	1,000.00	-	400.00	600.00	Yes
10	PNB	1,815.08	-	724.17	1,090.91	Yes
11	ESAF Small Finance Bank	-	700.00	94.35	605.65	Yes
12	Bank of Baroda	133.33	-	50.01	83.33	Yes
13	Incred Financial Services Ltd	-	300.00	83.19	216.81	Yes
14	SIDBI	-	500.00	-	500.00	Yes
15	Friends of WWB	-	200.00	-	200.00	Yes
16	Ananya Finance for Inclusive Growth Co-Lend 6	-	0.66	0.19	0.47	-
17	Ananya Finance for Inclusive Growth Co-Lend 7	-	25.00	8.33	16.67	-
18	Ananya Finance for Inclusive Growth Co-Lend 8	-	25.00	6.25	18.75	-
19	Ananya Finance for Inclusive Growth Co-Lend 9	-	25.00	5.21	19.79	-
20	Ananya Finance for Inclusive Growth Co-Lend 10	-	25.00	4.17	20.83	-
21	Ananya Finance for Inclusive Growth Co-Lend 11	-	25.00	2.78	22.22	-
22	Ananya Finance for Inclusive Growth Co-Lend 12	-	25.00	1.39	23.61	-
23	Ananya Finance for Inclusive Growth Co-Lend 13	-	25.00	-	25.00	-
Total		8,153.02	4,775.66	5,079.40	7,849.28	

Less: Current Maturities Transferred to Short Term Loans (Refer Note No-6) 5,434.42

Balance as on 31.03.2023 **2,414.87**

NOTE - 6 : SHORT TERM BORROWINGS

Terms of Repayment of Term Loan as on 31.03.2023

Sl. No.	Banks / Financial Institutions	Balance as on 01.04.2022	Received during the year	Repaid during the year	Balance as on 31.03.2023	Nature of Security Hypothecation of Book Debts
SECURED LOANS						
TERM LOAN FROM BANKS/FINANCIAL INSTITUTIONS						
1	Nova Vyapar Private Limited	275.00	290.00	360.00	205.00	Yes
2	Usha Financial Services Pvt Ltd	191.17	400.00	293.48	297.69	Yes
3	Cholamandalam Investment & Finance Co Ltd	-	300.00	23.55	276.45	Yes
Total		466.17	990.00	677.03	779.14	Yes
					5,434.42	-
Current Maturities of Long Term Borrowings					5,434.42	-
Total		466.17	990.00	677.03	6,213.56	



JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

Note-7 Trade payables

Particulars	31ST MARCH, 2023	31ST MARCH, 2022
	₹ in Lakh	₹ in Lakh
Liability for Expenses	13.23	13.53
Group Insurance Premium	14.91	7.45
Total	28.14	20.98
Additional disclosure		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	28.14	20.98
Total	28.14	20.98

Ageing schedule of Trade Paybles	<1 year	1-2 years	2-3 Years	More than 3 Years	Total (Rs in Lakh)
a. MSME	-	-	-	-	-
b. Others	28.14	-	-	-	28.14
c. Disputed dues of MSME	-	-	-	-	-
d. Disputed dues -Others	-	-	-	-	-
Sub Total-A	28.14	-	-	-	28.14
e. Unbilled amount	-	-	-	-	-
Sub Total-B	-	-	-	-	-
Total-(A+B)	28.14	-	-	-	28.14

Note-8 Other Current Liabilities

Other Current Liabilities	31ST MARCH, 2023	31ST MARCH, 2022
	₹ in Lakh	₹ in Lakh
Current maturities of Long Term Debt	-	-
Statutory Liabilities	6.90	2.46
Interest Accrued but Not due	17.57	22.84
Payable to Creditors (Lenders)	0.06	0.06
Total	24.52	25.36

Note-9 Provisions

Provision for Portfolio Loan Assets :	₹ in Lakh			
	Non-Current		Current	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Contingent Provision against current and Standard Assets	44.27	30.64	49.25	56.58
Non Performing Loans	-	-	-	4.39
Provision for Regulatory Framework Portfolio	-	-	-	55.65
Total	44.27	30.64	49.25	116.63
Others				
General Provision on Standard Asset but overdue on 29.02.2020. (Covid 19)	-	-	-	6.35
Provision for managed portfolio	-	-	53.53	77.37
Provision for income tax (Net of with Income Tax Rs.28.25 lacs P.Y. Rs.29.90 lacs)	-	-	28.25	-
Total	44.27	30.64	131.03	200.35



Audited Financial Statement 2022 - 2023



JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

Note-10 FIXED ASSETS :

Tangible :		Figures in ₹ in Lakh		
Cost or Valuation	Office Equipments	Computer & Software	Furniture & Fixtures and Equipments	Total
As at 1st April 2022	32.51	46.86	45.99	125.36
Additions during the period	3.41	7.06	0.91	11.38
Disposals	0.49	1.51	0.38	2.38
As at 31st March 2023	35.43	52.40	46.53	134.36
Depreciation				
As at 1st April 2022	16.47	31.91	15.47	63.84
Charge For the Period	5.71	5.50	3.10	14.31
Disposals	0.33	1.51	0.17	2.01
As at 31st March 2023	21.85	35.89	18.40	76.14
Net Block as on 31st March 2023	13.58	16.51	28.13	58.22
Intangible :		Figures in ₹ in Lakh		
Cost or Valuation		Software	Total	
As at 1st April 2022		39.55	39.55	
Additions during the period		1.06	1.06	
Total		40.60	40.60	
Amortisation as on 01.04.2022		21.12	21.12	
Amortisation during the period		8.12	8.12	
Total Amortisation as on 31st March 2023		29.24	29.24	
Net Block as on 31st March 2023		11.36	11.36	

Note-11 Long Term Loans and Advances

Particulars	31ST MARCH, 2023	31ST MARCH, 2022
	₹ in Lakh	₹ in Lakh
Micro Finance Loans	4,427.11	3,064.40
Term Deposit with banks (kept as lien with the lenders)	1,396.79	1,511.91
Interest Accrued on Fixed Deposits	69.59	136.25
Total	5,893.49	4,712.56

Note-12 Cash and cash equivalents.

Particulars	Non-Current portion		Current portion	
	31ST MARCH, 2023	31ST MARCH, 2022	31ST MARCH, 2023	31ST MARCH, 2022
i Cash and cash equivalents.	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
(a) Balances with banks	-	-	1,018.74	497.91
(b) Cash on hand	-	-	2.54	18.19
(c) Fixed Deposit with Banks with maturity less than 3 months	-	-	750.00	598.00
Total-A			1,771.28	1,114.11
ii. Other Bank balances				
a) Deposit with remaining maturity period of less than twelve months	-	-	40.00	15.00
b) Deposit with remaining maturity period of more than twelve months	1,396.79	1,511.91	-	-
Total-B	1,396.79	1,511.91	40.00	15.00
iii. Less: Amount disclosed under non-current assets (refer note-11)	1,396.79	1,511.91	-	-
Total -i+ii-iii	-	-	1,811.28	1,129.11



Audited Financial Statement 2022 - 2023

JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

Note-13 Short Term Loans and Advances :

Particulars	31ST MARCH, 2023	31ST MARCH, 2022
	₹ in Lakh	₹ in Lakh
Micro Finance Loans		
Opening Balance	13,091.49	15,298.12
Add : Loan Disbursed	13,497.20	8,736.95
Sub-Total	26,588.69	24,035.07
Less : Realised	11,743.90	10,399.95
Less : Securitised portfolios Outstanding	-	60.86
Less : Bad debt Written off	139.47	187.63
Less : BC Loan Outstanding	5,353.13	3,868.61
Less : Receivable from BC	-	356.00
	9,352.19	9,162.01
(i) Microfinance Loan (Unsecured and considered good)	9,352.19	9,162.01
Less : Transferred to Long Term Loans and Advances	4,427.11	3,064.40
Short Term Micro Loans	4,925.08	6,097.61
(ii) Advance Income Tax	43.79	39.08
(ii) Loans & Advance to Staffs	8.67	23.49
Total	4,977.54	6,160.18

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

ii. Apart from the above Loan portfolio the company also manages portfolio worth Rs.5,353.13 Lakh as a Business Correspondent on behalf of different Banks and NBFCs (i.e.Principals). Please refer note no-23 & 24.

Note-14 Other current assets

Particulars	31ST MARCH, 2023	31ST MARCH, 2022
	₹ in Lakh	₹ in Lakh
Security Deposit	20.58	27.48
Interest accrued on Fixed Deposit	0.57	0.65
Interest accrued on Portfolio Loan	502.42	312.63
Trade Receivables	41.34	834.80
MRR Receivable	-	41.12
Commission Receivable from Principals	45.35	35.02
Insurance Claim Receivable	37.72	11.35
Total	648.00	1,263.04

Note-15 Revenue from operations

Particulars	31ST MARCH, 2023	31ST MARCH, 2022
	₹ in Lakh	₹ in Lakh
Interest on Loan. (Refer Note (i) below)	1,734.13	1,996.73
Loan Processing Fees	123.34	63.89
Total	1,857.47	2,060.62
Particulars	31ST MARCH, 2023	31ST MARCH, 2022
	₹ in Lakh	₹ in Lakh
i) Interest on Loan comprises:		
a) Interest on Micro Finance Loan	1,734.13	1,996.73
Total	1,734.13	1,996.73

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

Note-16 Other Income

Particulars	31ST MARCH, 2023	31ST MARCH, 2022
	₹ in Lakh	₹ in Lakh
Interest on Fixed Deposit	35.37	125.24
Dividend on Mutual Fund	0.40	11.38
Commission received as Business Corespondent	319.75	347.06
Bad debt written off recovered	132.00	61.22
Miscellaneous Income	30.62	5.70
Total	518.15	550.60




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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

Note-17 Employee benefit expenses			
Particulars	31ST MARCH, 2023	31ST MARCH, 2022	
	₹ in Lakh	₹ in Lakh	
Salaries & Wages ,etc.	671.49	672.89	
Provident Fund and ESI	53.98	57.15	
Incentives,Bonus and Exgratia	60.33	26.99	
Gratuity	4.50	4.27	
Employee Health and Insurance Premium	7.76	7.65	
Total	798.06	768.95	
Salaries and wages includes: Salaries, wages, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service / employment.			
The company has estimated its liability towards Employees Gratuity based on an actuarial valuation.			
Note-18 Finance Cost			
Particulars	31ST MARCH, 2023	31ST MARCH, 2022	
	₹ in Lakh	₹ in Lakh	
Interest on Borrowings	872.68	978.46	
Loan Processing Fees	40.91	94.20	
Stamp duty Charges	7.51	1.22	
Inspection and Loan review Charge	2.59	7.72	
Total	923.69	1,081.60	
Note-19 Other expenses			
Particulars	31ST MARCH, 2023	31ST MARCH, 2022	
	₹ in Lakh	₹ in Lakh	
Audit fee	2.00	2.00	
Telephone & Internet	17.03	15.90	
Bank Charges	16.54	13.86	
Electricity Expenses	6.55	5.96	
ROC Fees	0.68	0.59	
Professional Fees	57.29	51.47	
Office Rent	66.37	64.59	
Printing & Stationery expenses	10.50	9.57	
Travelling & Conveyance	105.78	102.29	
Office Expenses	22.25	20.27	
Training Expenses	8.16	9.56	
Rates and Taxes	2.83	3.56	
Staff Welfare	38.69	62.96	
Directors Sitting Fees	3.60	4.30	
Insurance	14.35	1.06	
Repair & Maintenance	0.49	0.39	
Goods and Services Tax	16.55	20.17	
IT related Charges	15.15	15.02	
Membership Fees	4.69	5.12	
Consultancy Charges	15.16	9.07	
Sundry Receivables written off	21.69	18.03	
Donation	0.05	-	
Loss on sale of Fixed Assets	0.37	0.52	
Donation to NGO under CSR-Note 34(x)	5.70	4.70	
Total	452.47	440.97	
Note-20 Provisions and Write-offs			
Particulars	31ST MARCH, 2023	31ST MARCH, 2022	
	₹ in Lakh	₹ in Lakh	
Provision for Loan Loss on Portfolio Loan	1.90	(52.91)	
Provision against Standard assets as on 29.02.2020 (Please refer Note 22) against which moratorium granted due to COVID-19.	(6.35)	-	
Provision for Regulatory Framework Portfolio	(55.65)	55.65	
Provision for Loss on managed Portfolio	(23.84)	(124.58)	
Portfolio loan written-off - On book	64.91	187.63	
Managed portfolio loans written off	74.56	-	
Total	55.53	65.79	



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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

Note-21 Classification of Portfolio Loan on age basis

Particulars	Estimated Provisions Adopted	As at 31st March, 2023		As at 31st March, 2022	
		Principal (in Lakh)	Provision Amount (in Lakh)	Principal (in Lakh)	Provision Amount (in Lakh)
Current	0.40% to 1%	8,509.31	85.09	9,131.13	87.01
Up to 90 days	0.40% to 1%	842.88	8.43	22.10	0.22
91 to 179 days	50%	-	-	8.78	4.39
180 days or more	100%	-	-	-	-
		9,352.19	93.52	9,162.01	91.62
*Subject to 1% Whichever is Higher		9,352.19	93.52	9,162.01	91.62

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

Note-22 Provision for Regulatory Package of COVID 19

Additional Disclosure

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

Type of Borrower	Number of accounts where resolution plan has been implemented under this window	exposure to accounts mentioned at (A) before implementation of the plan (Rs in Lakh)	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
Personal Loans	65,040	7,117.88	-	-	(56)
Corporate Personsof which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	65,040	7,117.88	-	-	(56)

Note-23 Securitised/Assigned Loan Portfolio :

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


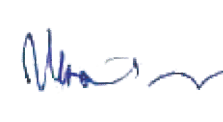
Particulars	31ST MARCH, 2023	31ST MARCH, 2022
	₹ in Lakh	₹ in Lakh
Opening Balance	60.86	86.54
Portfolio assigned	-	-
Total	60.86	86.54
Amount collected /Transferred to main portfolio	60.86	25.68
Outstanding Portfolio	-	60.86

Note-24 Loan Portfolio managed as a Business Correspondent.

During the Period, the Company has engaged as a business corespondent of MAS Financial Services Ltd ,Utkarsh Small Finance Bank, ESAF Small Finance Bank, IDBI Bank Limited and Ananya Finance (Co-lending). Details are as given below

Particulars	31ST MARCH, 2023	31ST MARCH, 2022
	₹ in Lakh	₹ in Lakh
Opening Balance	3,868.61	5,341.80
Amount disbursed	5,416.35	2,450.10
Total	9,284.96	7,791.90
Amount collected	3,931.84	3,923.28
Outstanding Portfolio	5,353.13	3,868.61



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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

Note-25	Income as Business Correspondent				
	Particulars	31ST MARCH, 2023	31ST MARCH, 2022		
		₹ in Lakh	₹ in Lakh		
	Commission Received from MAS Financial Services Ltd	17.72	68.66		
	Commission Received from Utkarsh Small Finance Bank Ltd	296.59	277.58		
	Commission Received from IDBI Bank Ltd	4.48	0.82		
	Commission Received from ESAF Small Finance Bank Ltd	0.96			
		319.75	347.06		
Note-26	Related Party Transactions				
	As per Accounting Standard 18 (AS-18) on related party disclosure issued by the Institute of Chartered Accountants of India related parties of the company are as follows.				
	Names of Related Parties and Nature of Relationship.				
	a) Key Management Personnel				
	Alok Biswas	Managing Director			
	Sunanda Kumar Mitra	Chairman			
	Arup Kumar Dutta	Chief Financial Officer(CFO)			
	Shivani Agarwal	Company Secretary(CS)			
	b) Nature of Transactions				
	Particulars	31.03.2023		31.03.2022	
		Transaction Value (in Lakh)	Outstanding (in Lakh)	Transaction Value (in Lakh)	Outstanding (in Lakh)
	i) Alok Biswas				
	Remuneration	41.50	-	29.06	-
	Sweat Equity Shares	-	-	-	-
	ii) Sunanda Kumar Mitra				
	Remuneration	30.00	-	27.50	-
	Sweat Equity Shares	-	-	-	-
	iii) Chief Financial Officer and Company Secretary				
	Remuneration	28.93	-	26.59	-
Note-27	Segment Reporting				
	The company operates in a single reportable segment i.e. lending in Microfinance Sector, which have similar risk and returns for the purpose of AS-17 on 'Segment Reporting' issued by ICAI. The company does not have any reportable Geographical Segment.				
Note-28	Disclosure of micro and small enterprises.				
	The Company has the process of identification of suppliers registered under Micro, Small and Medium Enterprises Act 2006 (The MSMED) by obtaining confirmation from all the suppliers. Based on the information available with the company no amount is payable to micro, small and medium enterprises.				
Note-29	Earning Per Share				
	Particulars	31ST MARCH, 2023	31ST MARCH, 2022		
		₹ in Lakh	₹ in Lakh		
	Net Profit After Tax	101.93	204.58		
	Weighted Average Number of Shares	253.51	253.51		
	Earning per share (Basic/Diluted)	0.40	0.81		
	Nominal Value per Share	Rs.10/-	Rs.10/-		
Note-30	Additional Disclosure pursuant to Reserve Bank of India Direction vide Circular No- DNBS (PD).CC No.047/03.10.119/2015-16 dated July 1, 2015.				
	Capital to Risk Weighted Assets Ratio (CRAR)	31ST MARCH, 2023	31ST MARCH, 2022		
	CRAR	46.06%	47.33%		
	CRAR- Tier I Capital	45.13%	45.46%		
	CRAR-Tier II Capital	0.93%	1.86%		
Note-31	Additional Disclosure pursuant to Reserve Bank of India Direction vide Circular no. RBI/2014-15/299, DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10,2014.				
	PARTICULARS	REMARKS			
	1. Capital to risk (Weighted) Assets Ratio	Refer Note No. 30.			
	2. Investment	Nil			
	3. Derivatives	The company has not entered into any derivative transactions in the current and previous years.			
	i) Forward Rate Agreement/ Interest Rate Swap				
	ii) Exchange Traded Interest Rate (IR) Derivatives				
	iii) Disclouser ob Risk Exposure in Derivatives				
	iv) Forward rate agreement / interest rate swap				



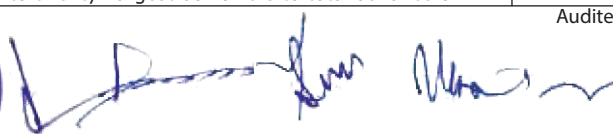
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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

4. Disclosure relating to Scuritisation i) Information duly certified by the SPV'S Auditors obtained by the ii) Details of financial assets sold to scuritisation/Reconstruction company iii) Details of Assignment transactions undertaken by NBFCs	The Company has not assigned/secured any loan portfolio during the year. However, the company is having managed Loan portfolio of Utkarsh Small Finance Bank Ltd, MAS Financial Services Pvt Ltd, IDBI Bank Ltd, ESAF Small Finance Bank Ltd. and Ananya Finance (Co-lending). Please refer Note no-23 and 24.				
5. Details of non performing financial assets purchased /Sold i) Details of non performing financial assets purchased : ii) Details of non performing financial assets sold:	The Company has not purchased/sold any non performing financial assets.				
6. Assets Liability Managements Maturity pattern of certain items of assets and liabilities. Details as on 31st March 2023.					
Particulars	up to 30/31 days	over one month to	over 2 months to 3	over 3 Months	over 6 Months
Deposits	0.00	0.00	0.00	0.00	0.00
Advances	7.55	7.51	6.99	19.18	32.98
Investments	0.00	0.00	0.00	0.00	0.00
Borrowings	4.19	4.35	4.14	15.06	26.85
Particulars	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total	
Deposits	0.00	0.00	0.00	0.00	
Advances	19.31	0.00	0.00	93.52	
Investments	0.00	0.00	0.00	0.00	
Borrowings	31.69	0.00	0.00	86.28	
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				
8. Details of Financing of parent company products: i) Details of single borrower limit (SGL) / Group Borrower limit (GBL) exceeded ii) Unsecured Advances	Single borrower limit (SGL)/ Group Portfolio Loan of Rs. 9,352.19				
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 v) Remuneration of Directors vi) Net profit or loss for the period, prior period items and changes in vii) Revenue Recognition	Ministry of Corporate affairs No Penalties Imposed by the RBI and Refer Note No-26. BBB-(ACUITE 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- Refer Note No-31B. Refer Note No-31C Refer Note No-31D The NBFC has not any overseas Assets . Not applicable as the Company has not any SPVs.				
11. Disclosure of Complaints	The company has not received any complaint during the Year.				
Note. 31A Breakup of Provisions and contingencies shown under the head Expenditure in Profit and Loss Statement.					
Particulars	31ST MARCH, 2023	31ST MARCH, 2022			
	₹ in Lakh	₹ in Lakh			
Provision for Income Tax	28.25	29.90			
Provision for Gratuity	4.50	4.27			
Provision towards NPA	-	100.63			
Provision for Standard Assets	93.52	43.89			
Note. 31B Concentration of Advances					
Particulars	31ST MARCH, 2023	31ST MARCH, 2022			
	₹ in Lakh	₹ in Lakh			
Total Advances to twenty Largest borrowers	8.00	8.00			
Percentage of total Advances to twenty Largest borrowers to total advance of the NBFC	0.09%	0.08%			
Note. 31C Concentration of Exposures					
Particulars	31ST MARCH, 2023	31ST MARCH, 2022			
	₹ in Lakh	₹ in Lakh			
Total Advances to twenty Largest borrowers	8.00	8.00			
Percentage of total Advances to twenty Largest borrowers to total advance of	0.09%	0.08%			

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 Auditor





JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

Note. 31D			
Concentration of NPA'S			
Particulars		31ST MARCH, 2023	31ST MARCH, 2022
		₹ in Lakh	₹ in Lakh
Total Exposure to top four NPA accounts		1.20	1.10
Note 32 Average rate of Interest, cost of borrowing and Margin			
Particulars		31ST MARCH, 2023	31ST MARCH, 2022
		₹ in Lakh	₹ in Lakh
Average Interest (a)		26.00%	21.70%
Average cost of borrowing (b)		11.85%	12.74%
Margin(a-b)		14.15%	8.96%
Note 33 Disclosure details as required in terms of Paragraph 13 of Non Banking Financial (Non-Deposit Accepting or Holding)			
LIABILITIES SIDE		Amount	Amount
1 Loans and advances availed by the NBFCs inclusive of			
a.	Debentures : Secured	Nil	Nil
	Unsecured	Nil	Nil
(other than failing within the meaning of public deposits)			
b.	Deferred Credits	Nil	Nil
c.	Term Loans	8,628.43	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			
		Amount	Amount
a.	In the form of unsecured debentures	Nil	Nil
b.	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
c.	Other public deposits	Nil	Nil
Total		Nil	Nil
3 ASSETS SIDE			
Break-up of Loans and advances including bills receivables (other than those included in (4) below) :		Amount Outstanding	Amount Outstanding
a.	Secured		
b.	Unsecured (see schedule)	9,352.19	9,352.19
4 Break -up of Leased Assets and stock on hire and hypothecation Loans			
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

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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

6 Borrower group-wise classification of all leased assets, stock on hire and Loans and Category			
		Amount net of provisions	
		Secured	Unsecured (Rs. in Lakh)
		Total (Rs. in Lakh)	
1	Related Parties **		
	a. Subsidiaries	Nil	Nil
	b. Companies in the same group	Nil	Nil
	c. Other related parties	Nil	Nil
2	Other than related parties	Nil	9,352.19
			9,352.19
7 Investor group-wise classification of all Investments (current and long term) in shares and securities (both			
Particulars		Market value/Break up	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 :		31ST MARCH 2023	₹ in Lakh
Particulars			
I	Gross Non-performing Assets		
	a. Related parties	Nil	Nil
	b. Other than related parties	-	-00
II	Net Non-performing Assets		
	a. Related parties	Nil	Nil
	b. Other than related parties	Nil	Nil
III	Assets acquired in satisfaction of debt		
Note-34	Additional Disclosure		
According Ministry of Corporate Affairs (MCA) had introduced changes in Schedule III to the Companies Act, 2013 vide its notification G.S.R. 207(E) dated 24th March, 2021, the following disclosures are given.			
i	Diversion of funds borrowed from banks and financial institutions		
During the year the Company has not diverted any borrowings from banks and financial institutions and have deployed the same for the specific purpose for which they were availed.			
ii	Realisable value of assets		
The Company is engaged in Micro Finance activities. Hence recover ability of the assets are assessed periodically. Kindly refer note 21.			
iii	Immovable properties not held in the name of company.		
The Company does not have Immovable properties for the reporting period			
iv	Revaluation of Property, Plant and Equipment and intangible assets.		
The management revalues its Property, Plant and Equipment and intangible assets on periodic interval.			
v	Loans or Advances granted to Promoters, Directors, KMPs and Related Parties		
During the period the Company has not granted any Loans or Advances to Promoters, Directors, KMPs and Related			
	Relationship with struck off companies		
vi	The Company does not have any relationship with struck off Companies.		



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JANAKALYAN FINANCIAL SERVICES PRIVATE LIMITED

vii Pending filing of charges

The Company does not have any pending filing of charges.

viii Compliance with number of layers of investments

The Company has complied with number of layers of investments.

ix	Ratio Analysis	Numerator	Denominator	March 31st 2023	March 31st 2022
a	Current Ratio	Total Current Assets	Total Current Liabilities	1.16	1.66
b	Debt Equity Ratio	Debt Consisting of borrowings	Total Equities	1.90	1.94
c	DSCR Ratio	PBDIT+Loan Installment Collected	Principal+Interest to Lenders	1.35	0.86
d	Return on Equity Ratio	Profit after Tax	Average Equity Share Capital	2.26%	4.71%
e	Inventory turnover Ratio	N.A.	N.A.	N.A.	N.A.
f	Trade Receivables turnover Ratio	N.A.	N.A.	N.A.	N.A.
g	Trade Payable turnover Ratio	N.A.	N.A.	N.A.	N.A.
h	Net Capital Turnover Ratio	Revenue from operations	Average working Capital	N.A.	N.A.
I	Net Profit Ratio	Profit for the Year	Revenue from operations	5.49%	9.93%
j	Return on Capital Employed	EBIT	Capital Employed	7.98%	10.04%
k	Return on Investment	N.A.	N.A.	N.A.	N.A.

Note-1: Return on equity and Net profit ratio have been reduced due to restructuring of loan during Covid Pandemic period which impacted result of the Company.

xii Corporate Social Responsibility

During the period the Company was liable to expend 5,70 Lakh towards Corporate Social Responsibility. The said amounts are being expended in the following project through an NGO.

Nature of Expenditure	Place of Expenditure	Name of NGO	Amount (₹ in Lakh)
Vidya Special Learning (Sishu Sikhya Kendra)	Duttapulia, West Bengal	Sreema Mahila Samity	2.85
Education for Underprivileged Children	Bhubaneswar, Odisha	Society for Children(SOCH)	2.85

Note-35 Previous Year Figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

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

Sunil Shah
**Sunil Shah
(Partner)**

**M. No.052841
UDIN:23052841BGUUMJ3177
Date : 5/05/2023
Place : Kolkata**



Sunanda Kr. Mitra
**Sunanda Kr. Mitra
Chairman
DIN-03521074**

Alok Biswas
**Alok Biswas
Managing Director
DIN-03141650**

Arup Kumar Dutta
**Arup Kumar Dutta
Chief Financial Officer**



Shivani Agarwal
**Shivani Agarwal
Company Secretary
M.No. A42303**

Audited Financial Statement 2022 - 2023



9th One Month Residential De-Addiction - Cum - Behaviour Modification Camp Report



Supported by
Janakalyan Financial Services Pvt. Ltd.

Organised by
Society for Children (SOCH)

www.sochforchildren.org



Janakalyan Financial Services Pvt Ltd.

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

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

Email : info@janakalyan.net

Website : www.janakalyan.net