

Mr Bishwajit Das,
Secretary
Belghoria Janakalyan Samity
AE-592, Sector – 1,
Salt Lake City,
Kolkata – 700064

June 19, 2019

Confidential

Dear Sir,

Grading of Micro Financing Institution (MFI)

Please refer to our letter dated June 18, 2019 on the captioned subject.

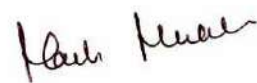
1. As already advised, our Rating Committee has assigned a grading of '**MFI 3+** (**MFI Three Plus**) to your organisation.
2. The rationale for the grading is enclosed as an **Annexure - I** to this letter.
3. CARE's grading is an opinion of CARE on the relative capability of the organisation to undertake micro-financing activity and does not constitute a recommendation to buy, hold or sell any financial instrument issued by the organisation or to make loans/ donations/ grants to the said organisation.

Thanking you,

Yours faithfully,



Pradip Singh
Deputy Manager
pradip.singh@careratings.com



Mamta Muklania
Associate Director
mamta.khemka@careratings.com

Encl. – As above

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Annexure - I
Belghoria Janakalyan Samity
MFI Grading Report

Year of establishment	2006	'MFI 3+' (MFI Three Plus) Fourth on an eight point scale with "MFI 1" being the highest and "MFI 5" being the lowest
Legal status	Registered Society	
Year of commencement of microfinance operations	2007	
Lending model	Self-Help group based individual lending	
Secretary	Mr. Bishwajit Das	
Number of states of operation	1 states (as on March 31,2019)	
Branches	27 (as on March 31, 2019)	
Employees	147 (as on March 31, 2019)	

CARE has assigned grading of '**MFI 3+**' to **Belghoria Janakalyan Samity (BJS)**. The grading is assigned on an eight point scale with 'MFI 1' being the highest and 'MFI 5' being the lowest. There is no individual definition for each grading. CARE's MFI grading is a measure of overall performance of the MFI based on TOSS framework.

Credit Analysis and Research Ltd

June 19, 2019

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- Reasonable second line of leadership. Majority of senior management has adequate experience to manage the growing scale of operations.
- Moderate operating risk profile where OSS stood at 111.47% in FY19 (prov). However, ROTA reduced to 2.09% in FY19 (prov) as against 2.73% in FY18 and 4.23% in FY17.
- The asset quality stood at comfortable levels in the past three years. PAR>30 days improved to 0.44% as on March 31, 2019 from 0.90% as on March 31, 2018 and from 1.82% as on Mar 31, 2017.
- The CAR remained adequate at 19.11% as on March 31, 2019 vis-à-vis at 24.86% as on March 31, 2018
- Has presence in the state of West Bengal only. However BJS is operating in those locations which have low penetration of other MFI's.
- The sector faces socio-political risks, regulatory uncertainty but has huge unmet potential demand.

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GRADING RATIONALE

Belghoria Janakalyan Samity (BJS) was established in June, 2006, as a society, registered under West Bengal Societies Registration Act, 1961. BJS commenced microfinance activity in Bashirhat region of 24 Parganas (North), West Bengal from 2007.

It started lending under the 'Self-Help Group' (SHG) based lending model, with modest contributions from its founding members. Over the years, the society has received funding support from various financial institutions enabling it to scale up its operations.

The main objective of BJS is to provide loans to the rural poor who do not have access to banking facilities for their economic upliftment. Major activities of BJS include the following:

- Formation and nurturing of SHGs
- Inculcating savings habit among the poor.
- Imparting skill to the SHG members by way of giving vocational training on various income generating activities
- Organising health camps, eye camps and medical check-up camps.
- Knowledge development via financial literacy and awareness campaigns.

This apart, BJS also runs a non-formal primary school for children between the age of 3-10 years in Baduria, West Bengal. Around 40 underprivileged students from the adjoining area are admitted in the school. It has also set-up BJS School of Financial Literacy, in collaboration with ISMW (Indian School of Microfinance for Women), for imparting financial literacy to poor women. BJS also runs a handicraft training center and a computer training center for imparting such skills to the poor free of cost. During FY15, BJS started a project 'Targeting Hardcore Poor' with financial and technical support of Bandhan Financial Services Ltd (BFSL, now Bandhan Bank). The project involves selection of 100 very poor women under a pre-set selection criteria for uplifting their economic condition. These women are provided training to earn their livelihood and income generating assets are distributed among them based on their desire and capability. Their activities are monitored closely and any further support which is required by them is provided.

The day-to-day activities of BJS are looked after by Mr. Bishwajit Das, Secretary, who was earlier employed with BFSL for a period of seven years. As on March 31, 2019, BJS is operating in 6 districts of West Bengal managed through a network of 27 branches and has

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24,736 active borrowers. The operations of the society are managed by a workforce of 147 employees as on Mar.31, 2019.

TRANSPARENCY

Governance	<ul style="list-style-type: none"> • BJS was incorporated in 2006 and is registered as a society registered under West Bengal Societies Registration Act, 1961. • BJS is governed by a board consisting of 7 (Seven) members • Majority of the governing body members have adequate experience in their respective areas of specialization. Members meet on a bi-monthly basis. • BJS has formed various monitoring committees like HR, audit, grievance redressals committee etc. The monitoring committee meets on a monthly basis to monitor the progress and discuss the financial and operational performance of the organization.
Transparency in lending process	<ul style="list-style-type: none"> • The lending policies (including interest rate, processing fees and other charges) are clearly communicated to the borrowers at group meetings through training programs & orientations. Borrowers are made to sign a loan agreement clearly stating the terms & conditions and the covenants, thereof. Majority of borrowers are aware about the credit policies. The set of rules and regulations in relation to the lending policies are also displayed at the branches of the society through boards. BJS also runs background checks through Credit Bureaus (mainly High Mark and Equifax). • Following points are also communicated through written documents: <ul style="list-style-type: none"> ➤ Interest rate ➤ Processing fees ➤ Loan tenure and payment schedule
Audit Quality	<ul style="list-style-type: none"> • The auditor has given an unqualified report and satisfactory feedback.
Internal Controls	<p>Internal Audit</p> <p>Internal audit of BJS is conducted by three members having adequate working experience with microfinance institutes and knowledge about the organizational policies on accounting. Audit of branches are conducted on monthly basis and report is submitted directly to the Audit committee on a quarterly basis.</p> <p>Branch office audit</p> <p>Internal audit is done at all the branches of BJS on monthly basis with well-defined audit calendar. Internal auditor spend at least 2-3 days in each branch to verified and keep track of indebtedness of borrowers, loan sizes, loan tenures, loan purpose and utilization, borrower incomes, KYC status of clients, credit bureau reports at the time of disbursement etc. The objective of the department is to monitor and evaluate financial as well as operational data and borrower level processes.</p>
Policies	<ul style="list-style-type: none"> • Credit policies are clearly defined and documented (embedded in the operation manual) • Credit policies are strictly adhered to for formation of groups, field verification and credit appraisal. • Credit policy communication is done verbally through group meetings and training sessions to the group members. • HR policies are clearly defined and documented. • HR policies encompass recruitment and selection, induction and training, performance management and compensation management.

Transparency in utilization of funds	<ul style="list-style-type: none"> Submits information/book debt statements as per the requirement of the lender. Report is submitted to banks and financial institutions on a monthly/quarterly basis as per the stipulation of the lender. Reporting to lenders on collection and delinquency is also provided on regular basis.
Overall disclosures	<ul style="list-style-type: none"> BJS is regular in submitting operational and financial information to external associations and agencies like Sa-dhan, Equifax, High Mark & Experian. Public domain disclosure of information about BJS is high.
Grievance redressals mechanism	<ul style="list-style-type: none"> BJS has a grievance redressals mechanism in place with a helpline number printed in the loan card/application form.

OPERATIONAL SETUP

Management	<ul style="list-style-type: none"> The board is headed by Mr. Satyabrata Chakraborty, Chairman. He has been associated with BJS for about a decade. The day to day affairs of the society are handled by Mr. Biswajit Das (Secretary) having more than two and a half decade of experience in the micro finance sector. BJS has a seven member governing body with strong academic and managerial expertise in banking, finance, microfinance and social developmental services.
Organizational Structure	<ul style="list-style-type: none"> BJS has a well-defined organization structure with a 4-tier reporting hierarchy whereby it has, Credit officers (CO), Branch Managers (BM), Regional Manager (RM), Departmental heads, Secretary/Chief Executive Officer (CEO) and the Executive committee. The society has been able to engage professionals in different departments, all having considerable experience in their area of expertise. It has created separate departments with clearly demarcated roles and responsibilities for handling different functions. The detail organization structure is presented in Annexures.
Level of decentralization of branches	<ul style="list-style-type: none"> BJS has decentralized operations with branches handling the field verification, appraisal, sanctioning, collection and disbursement processes in accordance with the society's operational policies. However, branches depend on HO for formulation of policy matters. At the branch level, the Branch Manager (BM) is supported by CO's to carry out the field level operations. The disbursements are made at the branch level on receiving the confirmation from HO.
Second line of leadership	<ul style="list-style-type: none"> Senior members have strong and diversified experience in fields of financial services, agriculture & other social developmental activities. Majority of the senior members understand the issues involved in day-to-day functioning and are involved in strategic decision making of the organization. Thus, at present BJS has reasonable second line of leadership. Brief profile of the senior management is provided in Annexure.
Human resources management	<ul style="list-style-type: none"> Recruitment is done through employee referrals, advertisements in local dailies, society website, etc. followed by written test and a series of interviews with senior management. The recruitment process is centralized at HO and mainly handled by the senior management. Compulsory induction training is given to all new recruits on joining for about 4 days

	<p>at HO.</p> <ul style="list-style-type: none"> • Training is given to fresh employees in HO by the senior management members and an experienced trainer. Apart from this, periodic training programme are also conducted for staffs on a regular basis. The senior management members participate in external training programs, workshops and conferences. • The compensation structure of the employees contains the following components: <ol style="list-style-type: none"> 1. Fixed Pay: The fixed pay includes Basic and a fixed amount as allowance. 2. Other Expenses: The employees are provided with reimbursements of their travel expenses as per the organization's policy. 3. All the statutory employee benefits such as PF, gratuity, ESI, etc. are being provided to all the employees. • Performance appraisal is conducted once each year. • The recruitment process is centralized at Head Office (HO) and is mainly handled by the HR manager under the guidance of the senior management. • Total staff strength of 147 employees of which 119 are field officers as on Mar 31, 2019. <table border="1" data-bbox="478 818 1329 1106"> <thead> <tr> <th>Particulars</th> <th>No. of employees</th> </tr> </thead> <tbody> <tr> <td>Senior Management</td> <td>10</td> </tr> <tr> <td>Credit Officer</td> <td>87</td> </tr> <tr> <td>Branch Manager</td> <td>27</td> </tr> <tr> <td>Regional Manager</td> <td>05</td> </tr> <tr> <td>Divisional Manager</td> <td>00</td> </tr> <tr> <td>Others (HO staff) –</td> <td>18</td> </tr> <tr> <td>Total</td> <td>147</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Credit officers and BMs are mostly graduates. • Experience amongst the CO's varies but notable portion of the total strength have more than one year experience. • Attrition rate was moderate at ~9% in FY19. 	Particulars	No. of employees	Senior Management	10	Credit Officer	87	Branch Manager	27	Regional Manager	05	Divisional Manager	00	Others (HO staff) –	18	Total	147
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Operational methodology	<p>BJS has adopted SHG model in the rural areas. The process followed by BJS in SHG model is explained below :</p> <ul style="list-style-type: none"> ➤ A dedicated team along with people from operations selects potential areas based on demographic and socio-economic profile. The CO visits the local areas & villages, interacts with potential customers regarding BJS's retail lending activity and their financial requirement. ➤ SHG is formed when a CO is able to gather at least 8-10 women members (between the age of 18-58 years). • A Compulsory Group orientation programme (GOP) is provided to the eligible clients prior to lending to them for a minimum period of four continuous days. In these training, the SHG members are taught about the mission, vision, objectives, loan products, services offered by BJS, group liabilities, BJS's Grievance Redressal mechanism and importance of savings. During each session, the CO records the date, time and names of all those present. A physical verification (home visit for Client profile) is also scheduled during GOP. • GOP is followed by Group Recognition Test (GRT) conducted by the BM. Only when a group qualifies the GRT and also the members qualify the lending criteria, loan is 																

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	<p>provided to them.</p> <ul style="list-style-type: none"> For every centre there is a centre leader selected by the groups of the centre. Moreover, each group members elects a group leader to manage the operations of the group.
Appraisal process	<p>Appraisal process for SHG model</p> <ul style="list-style-type: none"> Appraisal, disbursement and collection process is handled independently by the branches. The branches are dependent on HO for funds and other technical support including HR and MIS. HO keeps track of operations of branches through regular reporting by the branches and supervisory staff and internal audit. Loan application is collected by CO, who then makes a visit to the prospective member's household and/or business place and examines the credit history, business prospects and other aspects. Then CO submits the loan application to BM along with KYC documents. BM then performs independent group verification assessment of the members. Applications are then processed by BM and are disbursed on his/her approval. Appraisal process is handled independently by the branches where the ultimate authority of sanctioning of loans lies with the BM. Criteria for sanctioning of loans (loan size, tenure, purpose etc.) are defined and documented. The criteria for credit policies are adequate. During appraisal, the documents that are collected from the borrower are photo id proof and address proof. The documentation is adequate. As per the policy of BJS, members who are clients of more than one MFI are not eligible to become members and must fall within the income criteria as stipulated by RBI directions for rural and urban areas. This is checked through household cash flow analysis in each loan cycle. A self-declaration in this regard is also obtained from the client. All loans are sanctioned by the BM based on recommendations of CO. Cash flows of clients are checked before sanction. However, client's income surplus is considered for deciding loan amount or loan tenure.
Disbursement process	<p>Disbursement process for SHG model:</p> <ul style="list-style-type: none"> Reasonable level of documentation is done during disbursement. The disbursements are made in cash directly to the borrowers. Cash disbursements are made to the borrowers in the presence of at least two COs and BM at the branch office. Receipt voucher is collected from the borrower at the time of disbursement. Loan passbooks are provided to individual borrowers and loan register is maintained at group level. Loan utilization checks are conducted by the BM or CO with 15/20 days after disbursement. Subsequent loans are based on repayment capacity and credit history of the borrower. The branches conduct loan utilization checks frequently by physical visit to the borrowers. The report of the visit is prepared and sent to the HO.
Loan collection process	<ul style="list-style-type: none"> Collection is made by CO in cash. Collection is done on weekly basis in group meetings by the CO as per the demand collection sheet. Entry is done at individual level (individual pass book) and also at group level (group loan register). The cash collected is deposited into the bank account on the same day by the CO. Loan collection tracking is done at the branch level through the loan register. Monitoring is done at the HO. Reporting by the branches to HO after collection is done on daily basis.

	<ul style="list-style-type: none"> • Credit discipline of borrowers: Attendance of borrowers is more than 90%. The meetings are conducted on a regular basis with no penalties imposed. Borrowers maintain the relevant documents provided by the MFI, i.e. loan repayment card and receipts. • Borrowers per loan officer and gross loan portfolio per loan officer is moderate. Number of borrowers per loan officer is 278 and gross loan portfolio per loan officer is approx. Rs.0.47 crore (as on Mar.31, 2019).
Overdue management process	<ul style="list-style-type: none"> • In the initial stages of over-due, CO does the follow up and if the overdue period is elongated then the BM steps in to make recovery. In case of non-recovery of loan by the BM, AM and Operation Manager step in and make efforts for recovery. No undue influence and coercion is used in the process of recovery. No late penalty charges are levied. <p>Overall, BJS's collection and overdue monitoring system is good.</p>
Management Information Systems	<ul style="list-style-type: none"> • BJS uses BIJLI (Business Information Justified and Logically Integrated, on-line software developed by Force Ten Technologies). • All types of reports including overdue report and demand collection report at branch level can be generated within a short span of time. The software is also used for financial consolidation and reporting. All the branches are connected to the HO through the network ensuring access to real time data. The software provides all levels of management access to the central server, thereby improving supervision, control and decision making. • The database of BJS is maintained by Force-Ten Technologies Pvt. Ltd in Kolkata. Further, the society has a backup cloud based server to ensure efficient functioning, maintenance and disaster management. • The MIS helps tracking every client, group, center, branch, territory, region, zone and the society in its entirety. • The MIS is used to generate various reports including: <ul style="list-style-type: none"> ○ Branch Summary ○ Disbursement and Collections, ○ Attendance of members ○ Portfolio Summary – Loan Size, Purpose, Region wise, Loan Cycle wise outstanding ○ Loan Overdue Report ○ Lender and Securitization Information <p>The MIS system at BJS is adequate for the current level of operations as it provides information for the loan portfolio management both at the operational level and managerial level, including among others the breakdowns by sector, loan-size, geographical spread and lender-wise portfolio. It also helps in maintaining security of data and faster access to reports for day-to-day monitoring.</p>
Cash management systems	<ul style="list-style-type: none"> • BJS has reasonable cash management systems in place at all branches. • BJS has opened separate bank accounts for each of the branches • Branches deposits cash in the branch bank account on the same day or next day of collection. Cash vaults/Almirah is present at every branch for safe keeping of cash. • Loan is disbursed by cash mode only.

	<ul style="list-style-type: none"> Funds that need to be transferred from HO to branches are done through RTGS. Salaries of the employees and reimbursement of expenses are paid in cash. The details of transactions for the day are updated in the MIS on a daily basis.
Insurance	<ul style="list-style-type: none"> BJS takes insurance cover for borrowers from Life Insurance Corporation of India (LIC). However, insurance for cash in transit and cash in safe are absent.

SCALE OF OPERATIONS

Key Factors	As on March 31, 2019
Client base (Number)	<ul style="list-style-type: none"> BJS extends loans to SHGs. The SHG groups associated with BJS have all women members. Number of active SHG groups as on Mar 31, 2019 was 2253 with 24,736 active borrowers.
Assets under management	<ul style="list-style-type: none"> During FY19, BJS disbursed loan of Rs.75.69 crore vis-à-vis Rs.79.09 crore in FY18. Outstanding portfolio stood at Rs.43.29 crore as on Mar.31, 2019 vis-à-vis Rs.42.26 cr as on Mar 31, 2018.
Geographical diversification	<ul style="list-style-type: none"> Concentrated presence in the state of West Bengal only. Presence in 6 districts covering 858 villages across the state of West Bengal with 27 branches (as on Mar 31,2019)
Total income	<ul style="list-style-type: none"> Total income stood at Rs.11.44 crore in FY19 (prov.)

SUSTAINABILITY

	FY16	FY17	FY18	FY19
Financial Performance	A	A	A	Provisional.
Interest on Loans	4.04	7.55	9.07	10.26
Loan processing fees	0.44	0.61	0.79	0.74
Other operating income	0.20	0.37	0.41	0.44
Total income	4.68	8.53	10.27	11.44
Financial cost	2.02	3.71	4.70	5.89
Net interest income	2.02	3.84	4.37	4.37
Total operating expenses (incl. depreciation)	1.99	3.26	4.18	4.39
Total Provision / Write offs	0.12	0.15	0.17	0.08
Net surplus	0.55	1.41	1.21	1.08
Financial Position				
Net worth	1.93	3.28	4.49	5.56
Total Debt	26.95	33.68	45.81	45.89
Loan outstanding – own	22.50	31.40	42.26	43.29
Assets under management	22.50	31.40	42.26	43.29
Total Assets	29.19	37.56	50.92	52.17
PAR (> 30 days)	0.00	0.58	0.39	0.19
PAR (> 90 days)	0.00	0.07	0.34	0.15
Key ratios (%)				
Growth Ratios				
Total Assets	86.51	28.71	35.57	2.45
Loan Portfolio	114.38	39.51	34.61	2.44
Total Debt	158.38	24.98	36.03	0.16

	FY16	FY17	FY18	FY19
Total Income	73.21	82.28	20.31	11.41
Surplus	43.92	158.50	-14.38	-11.04
Solvency Ratios				
Overall Gearing (times)	13.97	10.28	10.21	8.25
Interest coverage (times) - before w/o	1.36	1.44	1.33	1.21
CAR %	36.55	37.63	24.86	19.11
Profitability & Operating Efficiency Ratios (%)				
Interest income/Interest earning assets (A)	24.51	28.03	24.63	23.98
Interest / Avg. borrowed funds (B)	10.83	12.25	11.85	12.85
Interest spread (A-B)	13.68	15.78	12.77	11.13
Net Interest Margin (NIM)	9.01	11.51	9.85	8.47
Other income/Average Total Assets	2.84	2.93	2.70	2.29
Total Income/Average Total Assets	20.88	25.57	23.20	22.19
Net Total Income/Average Total Assets	11.85	14.43	12.55	10.76
Operating Exp. / Average Total Assets	8.88	9.75	9.43	8.51
Loan loss provision & write offs/ Avg. Total Asset	0.54	0.45	0.40	0.16
Return on total assets (PAT / Avg. Total Assets)	2.44	4.23	2.73	2.09
Operational Self- Sufficiency	114.98	121.19	115.33	111.47
Financial Self-Sufficiency	109.78	115.80	109.80	105.74
Operating Expense Ratio (OCR)	9.52	10.35	9.96	8.79
Surplus/ Total Income	11.67	16.55	11.78	9.40
RONW	32.98	54.25	31.15	21.41
PAR > 30 days (%)	0.03	1.82	0.90	0.44
PAR > 90 days (%)	0.03	0.19	0.80	0.34

Earnings profile

BJS has registered a CAGR of about 24.38% in its outstanding Loan portfolio during FY16-FY19 (Prov) and the same has increased from Rs.22.50 crore as on March 31, 2016 to Rs.43.29 crore as on March 31, 2019. However, with improved Loan portfolio the NIM moderated from 9.01% in FY16 to 8.47% in FY19 prov (9.85% in FY18). The moderation in NIM is due to avilment of high interest bearing loans from various NBFCs to boost the loan portfolio.

Operating expenses (excluding provision, write-off & Depreciation)/average total assets has been gradually improving (improved from 9.75% in FY17 to 8.51% in FY19) on the back of increased scale of operation and higher operating efficiency. Provisioning & write-off/average total assets improved to 0.16% in FY19 from 0.54% in FY16 due to improvement in asset quality. However, ROTA has also witnessed a declining trend in FY18 and FY19 mainly due to reduction in PAT level because of higher interest cost.

Asset Quality

BJS has been giving small ticket size unsecured loans which is a high risk segment, still it has been able to maintain a reasonably good asset quality. Asset quality is healthy with portfolio at risk greater than 30 days (PAR>30 days) at 0.44% as on Mar.31, 2019.

Capitalization

With increase in total debt level to finance growth in disbursements and absence of infusion of capital, CAR deteriorated from 37.63% as on March 31, 2017 to 19.11% as on March 31, 2019. (Calculation of CAR is provided by management).

Detail financial performance of BJS is provided in **Annexure**.

Operational Sustainability

Operational Sustainability	
Second line of leadership	<ul style="list-style-type: none"> Majority of the senior members understand the issues involved in day to day functioning. Involved in strategic decisions as they have developed a good understanding of the microfinance sector. Senior members are experienced in fields like banking & financial services & other social developmental activities.
Competition	<ul style="list-style-type: none"> BJS is operating in the state of West Bengal only. West Bengal has high penetration of MFIs.
Loan Products	BJS offer six loan products as on March 31, 2019. A detail on the loan product is provided in the Annexure . BJS provides loans to the SHG members based on their requirements.
Access to funds and ability to raise funds	BJS has access to funds from the public sector banks and financial institutions on the back of its satisfactory operational and repayment track record.
Vision	In coming years, BJS plans to expand its branch network and reduce its concentration in West Bengal market.
Efforts to increase outreach and coverage	BJS is expecting significant increase in its income from micro financing activities with proposed scaling up of its operations in other districts of West Bengal. Microfinance business was in a subdued state since last few years as the banks have stopped lending to microfinance sector due to occurrence of some chit fund activities.

ANNEXURES

ANNEXURE 1: Past and Projected Financials

(Rs. crore)

Income and Expenditure Statement	FY16	FY17	FY18	FY19
Year ended March 31,	Audited			Prov.
Income				
Interest on loans	4.04	7.55	9.07	10.26
Loan processing fees	0.44	0.61	0.79	0.74
Other income	0.20	0.37	0.41	0.44
Total Income	4.68	8.53	10.27	11.44
Financial Costs				
Interest expense	2.02	3.71	4.70	5.89

Total Financial Costs	2.02	3.71	4.70	5.89
Net Interest Income	2.02	3.84	4.37	4.37
Operating Expenses				
Operating Expenses	2.05	3.33	4.20	4.37
Depreciation	0.06	0.08	0.16	0.10
Total Operating Expenses	2.11	3.41	4.36	4.47
Tax	0	0	0	0
Surplus	0.55	1.41	1.21	1.08

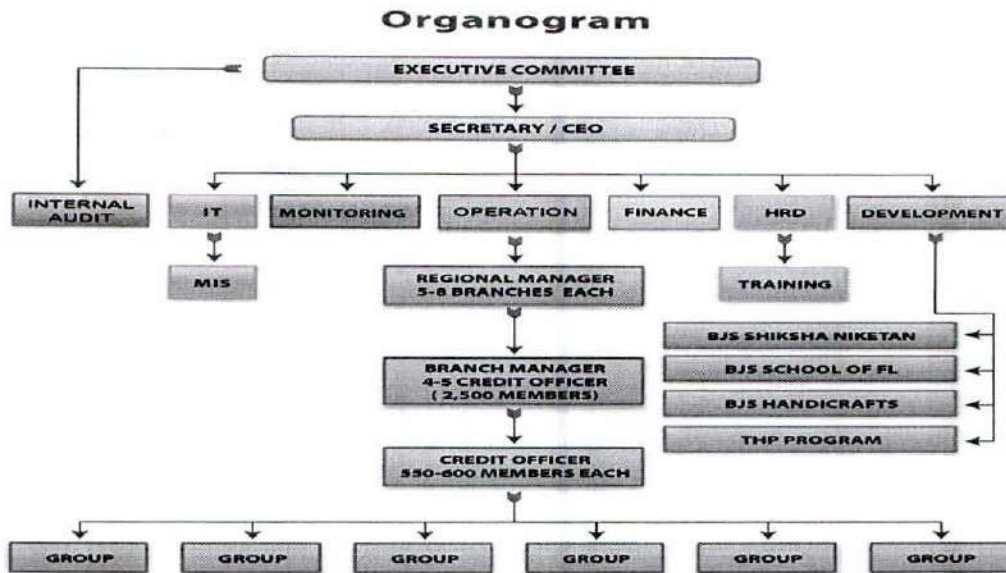
Balance Sheet

(Rs. crore)

Balance Sheet	FY16	FY17	FY18	FY19
As on March 31,	A	A	A	Prov.
Liabilities				
Source of Funds				
Tangible Networkth				
<i>Capital Fund</i>	1.93	3.28	4.49	5.56
Total Tangible Networkth	1.93	3.28	4.49	5.56
Debt Fund				
Term loans from Bank & FIs	18.27	23.10	37.58	39.56
Cash credit loan from banks	2.46	2.08	2.46	2.32
<i>KIVA, USA</i>	4.21	4.92	2.92	1.51
IMEF-SIDBI	2.00	3.58	2.86	2.50
Total Debt	26.95	33.68	45.81	45.89
Total Capital Employed	28.88	36.95	50.30	51.45
Assets				
Application of funds				
Net fixed assets	0.22	0.47	0.45	0.93
Investments (FD with Bank)	2.83	4.14	6.42	6.92
Current assets				
Cash & bank balances	3.46	1.30	1.51	0.79
Own portfolio	22.50	31.40	42.26	43.29
Other loans & advances	0.00	0.00	0.00	0.00
Other current assets	0.17	0.26	0.29	0.23
Total Current Assets	26.13	32.95	44.06	44.31
Current liabilities and provisions	0.31	0.61	0.63	0.72
Net Current Assets	25.82	32.34	43.43	43.59
Total Application of Funds	28.88	36.95	50.30	51.45

ANNEXURE 2:

2.1 Organisational Structure



2.2 Profile of governing body members of BJS

Name	Age	Designation In the board	Education Qualification	Brief Profile	Total Years of Experience	Experience in Micro finance
Mr. Satyabrata Chakraborty	72	President	M.Sc	Banking experience of about 25 years in different responsible positions and worked as Deputy Manager, Branch Manager, Lead District Manager and Asst. Regional Manager in United Bank of India. Apart from the banking service he worked as a Public Relation Officer in Fertilizer Corporation of India and Department of Health, Govt. of India.	35 years	10 years
Mr. Sumit Banerjee	44	Vice President	M.Com	He is working as an "Assistant Coordinator" under the State Rural Development Agency and is attached with various social work.	18 years	8 years
Mr. Bishwajit Das	53	Secretary	M.Com	He has 28 years of experience in micro finance and social development fields. He has worked in nationally and internationally reputed leading social development organizations in various responsible positions. He has received various trainings from organizations/financial institutions like - UNITUS (Global Microfinance Accelerator), Access Development Services (ADS), ABN AMRO, Planet Finance.	29 years	29 years

Name	Age	Designation In the board	Education Qualification	Brief Profile	Total Years of Experience	Experience in Micro finance
Ms. Kakali Das Halder	34	Treasurer	B.A.	She has about 8 years of experience in the MFI sector and is attached with social activities including Women Rights.	14 years	8 years
Mr. Ranjit Kumar Dutta	68	Member	M.A.	He is working in NGOs and implementing different projects including micro credit programs.	43 years	13 years
Ms. Mary Banerjee	50	Member	B.Com	She worked as the Coordinator and Councilor of Gandhi Academy of Management Studies She was also the Administrator of Blue Bell Nursing Home. Presently she is a vocalist of reputed band "Teetas" and working as Relation Manager with E. F. Insurance Pvt. Ltd.	26 years	6 years
Ms. Mira Debnath	62	Member	H.S.	She is a social worker and is involved in social development work related to women empowerment for more than 23 years.	26 years	12 years

2.3 Profile of Senior Management

Name	Qualification	Designation	Total years of experience
Mr. Bishwajit Das	M.Com.	Chief Executive Officer	30
Mr. C. Ranjan Barai	M. Pharm.	Head Business Development	23
Mr. Subhashis Dam	B.Sc.	Chief Finance Manager	40
Mr. Tapan Kumar Das	M.Com.	Head Operations	36
Mr. Santanu Sengupta	MBA	Head Internal Audit	21
Ms. Tumpa Das	B. Tech.	Sr. Program Manager	3
Mr. Apurba Lal Mondal	B. A.	Sr. Monitoring Manager	14
Mr. Sanjoy Chandra Das	B. A.	Sr. Program Manager	15
Mr. Samiran Adhikary	MBA (HR)	Head Development Wings	32
Mrs. Trisha Sen	MBA (HR)	Human Resource Manager	02

2.4 Details on human resources

	FY17	FY18	FY19
Credit officers (as on March 31,)	85	101	104
Total employees (as on March 31,)	97	129	147
Employee productivity			
Number of loans per credit officer	287	321	278
Number of members per credit officer	332	374	324
Number of borrowers per credit officer	287	321	278
Amount of loan outstanding per credit officer (in lakh)	32.37	45.44	48.64
Branch productivity			
Number of members per branch	1288	1339	1069
Number of individual borrowers per branch	1114	1147	916
Amount of loan outstanding per branch (Rs. lakh)	125.58	162.54	160.33

ANNEXURE 3: Operational Outreach

For the period ended / As on,	Mar 31, 2017	Mar 31, 2018	Mar 31, 2019
Number of states	1	1	1
Number of districts	6	6	6
Branches	25	26	27
Number of active SHG groups	1,998	2,347	2,253
Number of active SHG members	32,192	34,808	28,851
Number of active SHG borrowers	27,847	29,825	24,736
Loan Portfolio			
No. of loan disbursed during the year	31,580	34,241	26,979
Amount of loan disbursed during the year (Rs. Cr)	63.61	79.09	75.69
Average Loan size disbursed during the year (Rs.)	20,143	23,099	28,057
Overdue at the beginning of the year (Rs. cr)	0.01	0.12	0.24
Principal due during the year (Rs. crore)	54.83	68.35	74.56
Principal recovered during the year (Rs. Cr)	54.66	68.16	74.59
Overdue at the end of the year (Rs. Cr)	0.18	0.31	0.21
Write off during the year (Rs. Cr)	0.06	0.07	0.07
Net Overdue at the end of the year (Rs. Cr)	0.12	0.24	0.13
Recovery rate (%)	99.78	99.47	99.69
Total outstanding loan portfolio (Rs. crore)	31.40	42.26	43.29
Portfolio at risk (PAR) >30 days (%)	1.82	0.90	0.44
Portfolio at risk (PAR) >90 days (%)	0.19	0.80	0.34
CAR (Overall) %	37.63	24.86	19.11

ANNEXURE 4: Loan Products

Product Name	Prerona	Ananya	SHILPI	Higher Education Loan (HEL)	General Education Loan(GEL)	Water & Sanitation
Client	Individual women through SHGs	Individual women through SHGs	Individual women through SHGs	Individual women	Individual women	Individual women
Age Limit (yrs)	18-58	18-58	18-58	18-58	18-58	18-55
Loan Tenure	Upto 1 year	Upto 2 years	Upto 2 years	Upto 2 years	Upto 1 year	Upto 2 years
Loan Size (Rs.)	5,000 – 30,000	31,000-40,000	10,000-30,000	10,000-40,000	5,000 –30,000	10,000-40,000
Repayment	Weekly/Fornightly/ Monthly	Weekly/Fornightly/ Monthly	Weekly/Fornightly/ Monthly	Weekly/Fornightly/ Monthly	Weekly/Fornightly/ Monthly	Weekly/Fornightly/ Monthly
Interest Rate	26% p.a. on reducing balance method	26% p.a. on reducing balance method	26% p.a. on reducing balance method	20% p.a. on reducing balance method	20% p.a. on reducing balance method	20% p.a. on reducing balance method
Processing Fees	1%	1%	1%	1%	1%	1%
Insurance	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%

Annexure 5: Portfolio Details

5.1 District-wise portfolio concentration

(Rs crore)

District	2017		2018		2019	
	(Rs Cr)	%	(Rs Cr)	%	(Rs Cr)	%
North 24 Parganas	8.9131	28%	9.3769	22%	8.4226	19%
Murshidabad	1.7247	5%	3.5587	8%	3.7268	9%
Jalpaiguri	5.3812	17%	6.1225	14%	5.8972	14%
Alipurduar	8.4508	27%	11.5466	27%	11.4426	26%
Coochbehar	6.7641	22%	11.0214	26%	13.1054	30%
Darjeeling	0.1613	1%	0.635	2%	0.6958	2%
Total	31.40	100	42.26	100	43.29	100

5.2 Product wise loan outstanding

(Rs crore)

Particulars	2017		2018		2019	
	(Rs Cr)	%	(Rs Cr)	%	(Rs Cr)	%
Income Generating Loan	30.3231	96.59	40.9996	97.01	41.9763	96.96
Education Loan	0.6398	2.04	0.637	1.51	0.7177	1.66
Water & Sanitation Loan	0.4322	1.38	0.6245	1.48	0.5964	1.38
Total	31.3951	100	42.2611	100	43.2904	100

5.3 Loan amount wise loan outstanding

(Rs. crore)

Particulars	FY17	FY18	FY19
	Amount	Amount	Amount
50,001 to 1,00,000	0.00	0.00	0.00
25,001 to 50,000	10.86	22.21	33.24
15,001 to 25,000	13.65	16.24	8.87
10,001 to 15,000	5.69	2.88	0.73
5,001 to 10,000	1.19	0.92	0.44
< 5,000	0.00	0.00	0.00
Total	31.40	42.26	43.29

5.4 Loan cycle wise loan outstanding

(Rs. crore)

	2017		2018		2019	
	(Rs Cr)	%	(Rs Cr)	%	(Rs Cr)	%
First loan cycle	7.91	25.21	8.61	20.38	2.37	5.48
Second loan cycle	6.41	20.41	7.29	17.24	9.42	21.76
Third loan cycle	5.37	17.12	7.81	18.49	7.02	16.21
Fourth loan cycle	3.47	11.04	6.32	14.97	8.54	19.72
> Forth loan cycle	8.24	26.23	12.22	28.92	15.94	36.82
Total	31.40	100	42.26	100	43.29	100

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June 19, 2019

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

5.5 Overdue Status


(Rs. crore)

As on March 31	FY17			FY18			FY19		
Total loan outstanding that are -	No. of loans	Value of Portfolio	%	No. of loans	Value of Portfolio	%	No. of loans	Value of Portfolio	%
On time	27,320	30.72	97.85	29,484	41.88	99.09	24,571	43.08	99.51
1-30 days	100	0.10	0.33	5	0.00	0.01	16	0.02	0.05
31-60 days	311	0.43	1.37	17	0.02	0.05	19	0.03	0.06
61-90 days	60	0.08	0.26	21	0.03	0.06	12	0.01	0.03
91-120 days	49	0.06	0.18	37	0.04	0.1	12	0.02	0.04
121-180 days	6	0.01	0.02	69	0.09	0.21	18	0.03	0.06
181-360 days	-	-	-	192	0.21	0.49	45	0.05	0.12
> 361 days	-	-	-	-	-	-	43	0.05	0.12
Total portfolio	27,846	31.40	100	29,825	42.26	100	24,736	43.29	100

Annexure 6 : Details for top Banks/Financial Institutions (as on March 31, 2019)

Bankers	Bank facility	Sanctioned Amount	Amount Disbursed	Amount Outstanding	Interest rate (%)
S.B.I (Cash Credit)	CC Loan	100.00	100.00	81.60	12.30
Bangiya Gramin Vikash Bank (BGVB)	CC Loan	150.00	150.00	149.96	12.00
State Bank Of India (SBI)	Term Loan	380.00	380.00	33.50	12.30
Ananya Finance for Inclusive Growth Pvt. Ltd.	Term Loan	200.00	200.00	50.00	15.50
Ananya Finance for Inclusive Growth Pvt. Ltd.	Term Loan	700.00	700.00	437.50	15.00
Maanaveeya Development & Finance Pvt. Ltd.	Term Loan	600.00	600.00	163.20	15.00
Maanaveeya Development & Finance Pvt. Ltd.	Term Loan	600.00	600.00	572.75	15.25
Indian Overseas Bank	Term Loan	200.00	200.00	11.77	14.75
Indian Overseas Bank	Term Loan	300.00	300.00	168.75	12.65
Indian Grameen Services, (IGS)	Term Loan	50.00	50.00	12.50	15.00
Kashi Vishwanatha Vidya Samasthe (Milaap - a crowd funding platform)	Term Loan	2,580.65	2,580.65	529.26	6.00
Dena Bank	Term Loan	200.00	200.00	86.67	12.15
UCO Bank	Term Loan	300.00	300.00	33.61	11.70
UCO Bank	Term Loan	500.00	500.00	354.17	11.60
UCO Bank	Term Loan	400.00	400.00	379.79	12.50
United Bank of India	Term Loan	300.00	300.00	295.00	11.60
Reliance Commercial finance Ltd.	Term Loan	100.00	100.00	43.52	15.50
Bandhan Bank	Term Loan	500.00	500.00	285.71	14.15
Bandhan Bank	Term Loan	500.00	500.00	452.38	13.65
Canara Bank	Term Loan	50.00	50.00	21.30	11.15
Sunflag Marchants Pvt. Ltd.	Term Loan	295.00	295.00	25.00	16.00
Small Industries Development Bank of India (SIDBI)	Equity Fund	50.00	50.00	50.00	9.00
Small Industries Development Bank of India (SIDBI)	Equity Fund	200.00	200.00	200.00	8.00
KIVA, USA	Business Capital Transfer	506.15	506.15	147.57	0.00
Total		9,761.80	9,761.80	4585.51	

Annexure 7: MFI Grading Symbols

Grading Symbol*	
MFI 1	Highest
MFI 2+	
MFI 2	
MFI 3+	
MFI 3	
MFI 4+	
MFI 4	
MFI 5	Lowest

* There is no individual definition for each grading

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CARE's MFI grading is not a recommendation to buy, sell or hold any financial instrument issued by the MFI or to make loans/ donations/ grants to the MFI. It is not an assessment of the debt servicing ability of the MFI. The grading assigned by CARE cannot be used by the MFI in any form for mobilizing deposits/savings/thrift from its members or general public.

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