

ANNUAL REPORT 2024 - 25



GRAMEEN SHAKTI MICROFINANCE SERVICES PVT. LTD.
www.grameenshakti.co.in

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LOKMAT TIMES

ODF: Trained masons play their Part



Prof Chander Mahadev

It was a landmark achievement, one that has become the talking point across the globe but the pivotal role of trained masons is a story that has not been highlighted often enough. India's declaration as an Open Defecation Free (ODF) nation was historic -- one that brought global recognition to our grassroots-led sanitation revolution even though there are critics who contest this. Yet, as many policy experts would agree, the real challenge lies not in reaching ODF status, but in sustaining it. This requires continuous community engagement, technical training and a strong support system for both infrastructure and behaviour change.

Against this backdrop, a powerful example of commitment and innovation unfolded in West Bengal -- one that holds lessons for the future of India's sanitation movement.

While families across the country gathered for Eid al-Adha celebrations, a different kind of dedica-

tion was on display in Ranaghat in Nadia district. On that very day, the Trust of People, in collaboration with Finish Mondial India and Grameen Shakti Microfinance Services Pvt Ltd, organised a comprehensive training programme for 65 field staff (54 men and 11 women). The focus was to equip frontline workers with knowledge and practical insights into climate-resilient sanitation technologies.

Overseeing the session was Sukriti Mukhopadhyay, chief operating officer, who emphasised the long-term vision: "Building toilets is just one step. Ensuring their quality, durability and acceptance within households is the real challenge. For that, our field staff must lead with both heart and skill."

The very next day, the movement expanded. In the intense heat of Purba Bardhaman, with the mercury soaring beyond 42°C, 103 masons gathered at Kankuriya Sahajpur. They were not here for celebration or ceremony -- they were here to learn. With support from Saiuddin Mondal (zonal head), Pradip Basak, Bapan Upadhyaya (regional manager), and Ashis Ghosh (branch manager), this training delved into the Twin Leach Pit and the Shankar-Balram Model -- both renowned for their cost-efficiency and climate



adaptability.

This hands-on, four-hour technical session was led by Dinesh Chandra Pandey, a highly respected sanitation expert. His clarity and deep field experience ensured that every mason left with more than just knowledge -- they left with the confidence to implement sustainable toilets in flood-prone and economically weaker regions.

These two days of intensive capacity-building were made possible through the meticulous planning of Biswadeep Sikdar, West Bengal state head of Trust of People. His vision -- to ensure that every toilet built through microfinance is technically sound and long-lasting -- and is aligned with the Government of India's Swachh Bharat and Jal Jeevan Missions.

There is no doubt that the sanitation landscape is shifting. As people build new homes or upgrade their existing ones, there's a growing

demand for private toilets that are both functional and climate-smart. In rural and peri-urban India, where flooding and poor soil conditions complicate sanitation infrastructure, these tailored models are essential.

But infrastructure alone is not enough. Field staff need to explain the benefits of improved sanitation. Masons must execute designs with clockwork precision. And most importantly, communities must be offered affordable financial options. This is where the collaboration between NGOs like Trust of People and MFIs like Grameen Shakti becomes critical. Their small-ticket loans, specifically for toilets, empower families who are otherwise left out of formal credit systems. They serve as the financial backbone of India's post-ODF journey.

This story is not just about training 65 field staff or 103 masons. It is a blueprint for what's needed across India. Thousands of such warriors -- trained, trusted and tireless -- must be empowered across states to keep the sanitation mission alive and resilient.

The author is a former professor of journalism. Views expressed are personal.



From the Desk of The Managing Director

Dear All,

The microfinance sector in India is currently facing significant headwinds on account of rising credit costs, compression in interest rate margins, tighter lending practices and increase in overdue loans. These had negatively impacted business and loan quality.

Based on data as on 31 March 2025, microfinance industry has total loan portfolio (i.e., loan amount outstanding) of Rs 3,75,030 Cr, including DPD 180+ portfolio of Rs 42,394 Cr. The gross loan portfolio shrunk by 13.5% year-on-year basis as the period was marked by curtailed funding and strict credit underwriting. As on 31 March 2025, NBFC-MFIs are still the largest provider of micro-credit accounting for 39.3% to total industry portfolio. Banks hold the second largest share of portfolio in micro-credit which is 32.8%, SFBs have a total share of 15.8%, NBFCs account for another 11.3% and Other MFIs account for 0.9% of the total.

The pan India microfinance penetration is 18.82%, with states such as Bihar, Tamil Nadu, West Bengal, Odisha, Karnataka etc. having relatively higher levels of microfinance penetration, while states/UTs such as Jammu & Kashmir, Uttarakhand, Himachal Pradesh and north eastern states such as Nagaland, Manipur, Meghalaya, Mizoram, Sikkim, Arunachal Pradesh etc. having relatively lower levels of microfinance penetration.

The overall industry risk score is 6.75, top 6 states in terms of descending order of risk scores are Odisha, Jharkhand, Bihar, Madhya Pradesh, Tamil Nadu and Chhattisgarh and they have risk scores higher than the industry risk score (6.75). Majority of districts appearing in the top 100 potential risk districts are from states such Bihar (25 districts), Odisha (22 districts), Jharkhand and Madhya Pradesh (10 districts each), Tamil Nadu (9 districts), Rajasthan (8 districts), Gujarat and Uttar Pradesh (5 districts each) etc.

Key Challenges :

1. Credit Underwriting and Fraud Management

Major hurdle for MFIs is the inability to verify income accurately, especially in informal sectors. The absence of structured income documentation makes it difficult to assess creditworthiness, increasing the risk of defaults and fraud. Cases of identity fraud, document forgery, and multiple loan applications make risk assessment difficult.

2. Regulatory Compliance :

Regulatory compliance is a significant challenge for MFIs and small NBFCs, particularly due to their limited resources and expertise in keeping up with evolving financial regulations. Further, New regulatory guidelines have overheated the sector thereby increasing the risk.

3. Digital Adoption

The group lending model remains at the core of microfinance, relying on group guarantees and peer accountability. Moving towards digital transactions have reduced the frequency of in-person group meetings, impacting peer monitoring.



4. High Cost of Technology Adoption :

For many small MFIs, the cost of implementing and maintaining technology solutions is unsustainable, leading to slow adoption rates. Many third-party tech providers charge high license & maintenance fees, making it difficult for small MFIs to afford digital solutions.

5. High Cost of Borrowing :

Commercial banks have become wary of lending to smaller microfinance institutions, forcing MFIs to borrow from non-banking financial companies (NBFCs) at significantly higher interest rates. As a result lending rates to micro borrowers have also become higher. Not only (NBFC) but also PSU are charging high rate of interest while lending to MFIs and asking notarized personal guarantees like undated, blank amount cheques from Directors. There are so many hidden charges other than LPF, stamp duty, travelling exps, audit fees etc clubbed with the loan.

Coming to the Company's performance, growth in the last financial year was a little bit sluggish due to a variety of factors as mentioned above. We were able to raise funds to the tune of Rs. 33.50 cr. from 24 number of funding agencies.

Net-worth of the Company steadily increased from Rs.20.86 crore to Rs. 19.79 crore in FY24-25. During the same period, the CRAR has increased from 36.38% to 48.25%. AUM of the Company at the end of FY24-25, stands at Rs.135.81 cr. constituting Rs. 37.90 cr. of own portfolio and Rs. 97.91 cr. of managed portfolio.

Grameen Shakti also expanded its area of operation by opening more branches in its operational geography and including more borrowers to provide financial assistance. The borrower base increased from 43,458 in FY 23-24 to 55,901 in FY24-25, the number of branches increased from 40 to 63 during the period. Currently, we have well geographically diversified operations spreading over 63 Branches in 20 Districts & 4 states of West Bengal, Bihar, Jharkhand and Odisha.

We would like to inform our stakeholders that Grameen Shakti received the SKOCH "Order of Merit" award for 'Financial Inclusion & Education Awareness' in 2025. Grameen Shakti was also awarded 'Best Performing MFI in WASH Sector-East' in 2024 by FINISH & Trust of People.

Conclusion :

In a Business Cycle, crest and trough are common and MFI sector is no exception. The microfinance sector in India has transformed millions of lives by providing access to credit and promoting entrepreneurship among underserved communities. While challenges such as over-indebtedness, regulatory uncertainty, and digital competition persist, emerging opportunities in Fintech, rural financing, women empowerment, and sustainable microfinance can drive the sector's future growth. By leveraging technology, policy support, and innovative financial models, Grameen Shakti can strengthen its role in achieving the goals of financial inclusion and empowerment of the women.

With Regards,

 Ganesh Chandra Modak

"At the end of the day, you are solely responsible for your success and your failure. And the sooner you realize that, you accept that, and integrate that into your work ethic, you will start being successful. As long as you blame others for the reason you aren't where you want to be, you will always be a failure." –

Erin Cummings



Message

It is time to look back and find out how different organizations fared during the Financial Year 2024-25 and set the expectations for the current financial year.

It is, in this context, I have immense satisfaction to note the exemplary performances of **Grameen Shakti Microfinance Services Pvt. Ltd. in FY 2024-25**, despite challenging circumstances. Growing the AUM with a focus on the BC model, conserving capital to support growth in the future, increasing the foot prints in the eastern states, roping in more customers etc., have all put **Grameen Shakti** in good stead. I am also delighted to note that the performances of **Grameen Shakti** have been well recognized by the society at large and coveted awards have been bestowed on it by different organizations

With the leadership of **Mr. Modak**, a strong Board and the dedicated workforce, **Grameen Shakti** is poised to achieve further progress in the future. I am sure, **Grameen Shakti**, in its pursuit of excellence, will explore issues like product diversification, stronger risk management, enhanced IT capabilities etc.

I take this opportunity to extend my greetings and good wishes to **Mr. Modak**, the members of the Board and the entire team.

Bhaskar Sen

Former Chairman & Managing Director of United Bank of India.



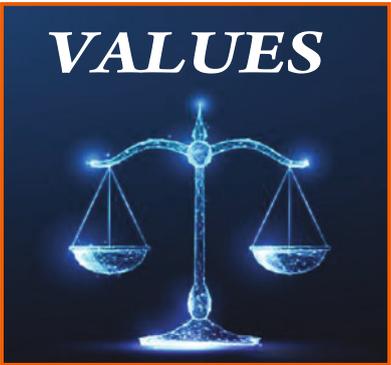
Mr. Ganesh Chandra Modak, MD at the 27th AGM of Sa-Dhan





To provide wide range of financial services through JLG / MSME / other types of Secured Loans to rural / urban clients in order to ensure livelihood improvement/ income generating activities .

To emerge as a responsible, profitable, well governed NBFC-MFI catering to 100,000 borrowers through 100 branches in 6 states and loan book of 250 cr. including significant portion of managed portfolio, by 2027.



- Integrity
- Accountability
- Humility
- Customer Commitment
- Inclusiveness

Clients At Our Branch Office



Board of Directors



Ganesh Chandra Modak, Managing Director

Mr. Modak is a renowned figure in the Microfinance sector with an outstanding experience of more than 33 years. Mr. Modak is also known for his "in-depth on field" knowledge of the operation of microfinance. Under the able leadership of Mr. Ganesh Chandra Modak, the company has been doing its on-lending activities and providing financial services to the poor women in the rural and semi-urban areas since March, 2016. Mr. Ganesh Chandra Modak lead the Company from the front and was successful in getting a number of 'Awards' for him as well as for the Company.

Sukriti Mukhopadhyay, Executive Director

She has a rich experience of working in a number of microfinance organizations in West Bengal. Her proficiency in the field of 'Operation' has helped the Company to embark on a plan of Branch expansions in 4 eastern states of India. She also guides and monitors day to day affairs of the company.



Sundari Modak, Non-Executive Director

She is involved in key managerial activities in various organization i.e. Jeebika Business Promotional & Initiative Pvt. Ltd, Initiator Dealcom Pvt. Ltd, Manasarovar Dealtrade Pvt. Ltd. She is also working as 'Principal' of 'Ramakrishna Sarada Missionary Vidyapith' – a residential school at Ranaghat, Nadia and associated with various social welfare activities.



Pranab Kumar Saha, Independent Director

Mr. Saha has 39 years of experience in the banking field. He was associated with Union Bank of India all through his banking career. He has significant experience in working with Forex Association of India (FAI) as a key Office-bearer.



Gautam Sen, Independent Director

Mr. Sen has 36 years of experience in the banking field and retired as General Manager of NABARD. During the tenure he served in various capacities in the organisation taking care of business growth, internal accounting, information technology etc.



Our Mentor- cum -Advisor

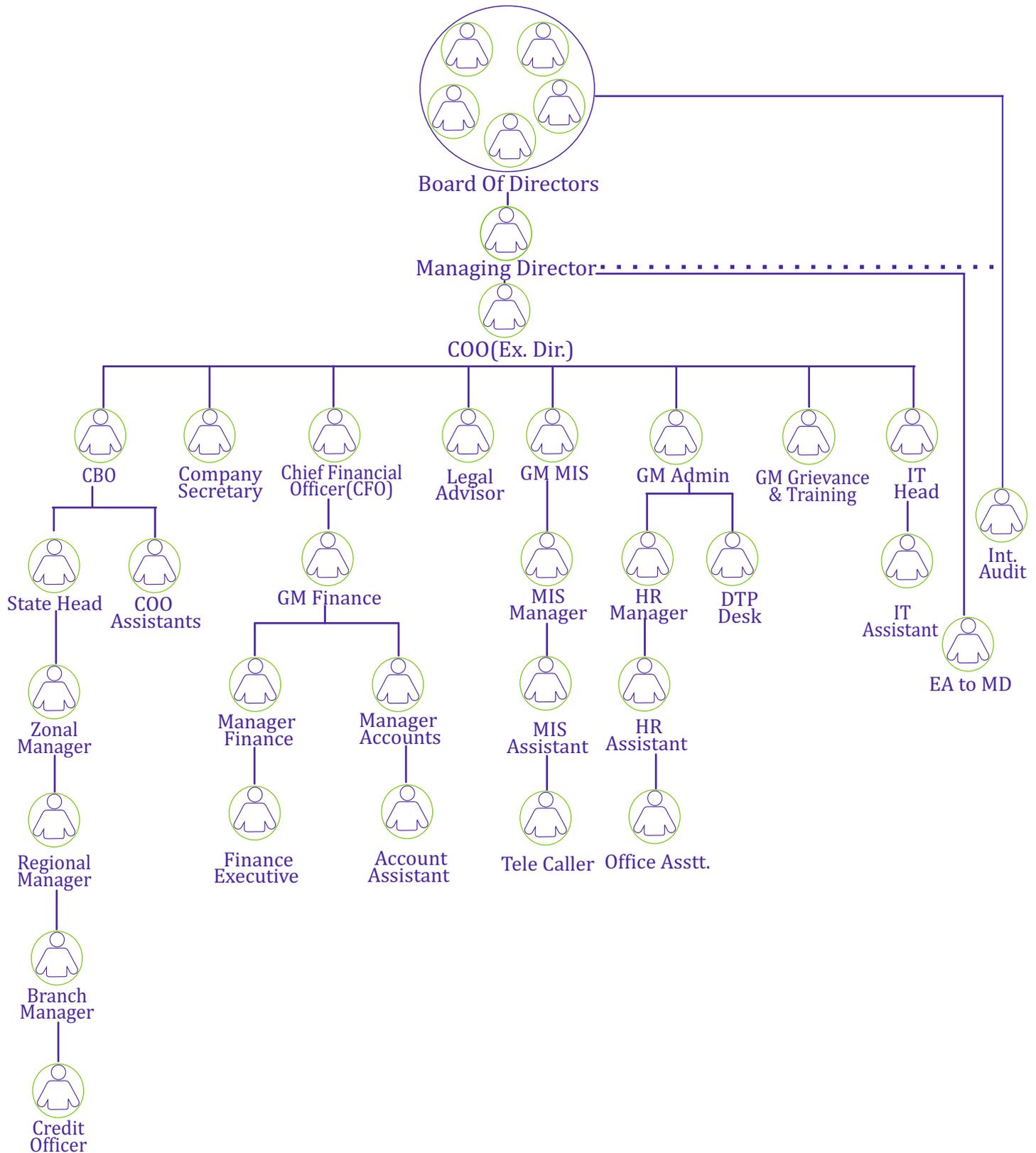


Mr. Bhaskar Sen
Former Chairman & MD
United Bank of India

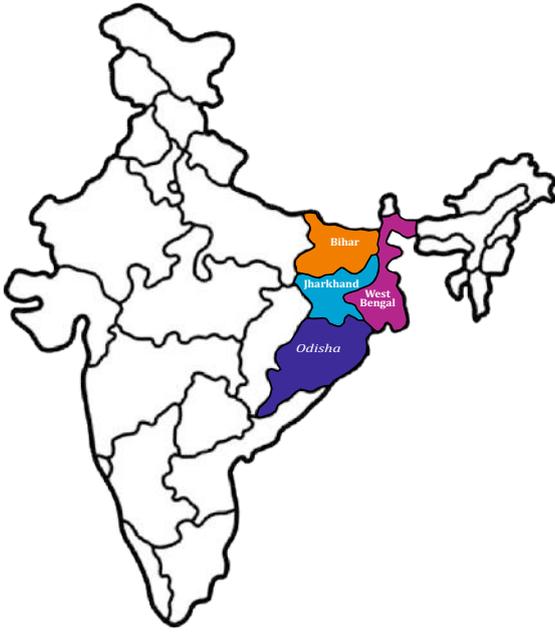
Mr. Pradip Kr. Saha
Ex-CGM, SIDBI
Ex - Director, Bandhan Bank



ORGANOGRAM



Geographical Spread



Network of Branches

West Bengal

- | | | | |
|--------------|---------------|-------------|---------------|
| ● Purnanagar | ● Bhatar | ● Mothabari | ● Raiganj |
| ● Santipur | ● Guskara | ● Gazole | ● Tungidighi |
| ● Swarupganj | ● Shyamsundar | ● Tulsihata | ● Bindol |
| ● Srirampur | ● Mangalbari | ● Rajibpur | ● Safanagar |
| ● Kalna | ● Ratua | ● Kushida | ● Patirajpur |
| ● Kusumgram | ● Kamarpara | ● Doulatpur | ● Gangarampur |
| ● Bhikahar | ● Chanchal | ● Patiram | |

Bihar

- | | | | |
|------------------|----------------------|--------------------|------------|
| ● Alamnagar | ● Dighalbank | ● Dighwara | ● Marhaura |
| ● Azamnagar | ● Simri Bakhtiyarpur | ● Ekma | ● Masrakh |
| ● Uda Kishanganj | ● Roshna | ● Goraul | |
| ● Barsoi | ● Jokihat | ● Jandaha | |
| ● Sonaili | ● Baheri | ● Kusheswar Asthan | |
| ● Telta | ● Biraul | ● Saharsa | |
| ● Thakurganj | ● Benipur | ● Mahua | |

Jharkhand

- | | | | |
|------------|-----------|------------|----------|
| ● Madhupur | ● Devipur | ● Bengabad | ● Sarath |
|------------|-----------|------------|----------|

Odisha

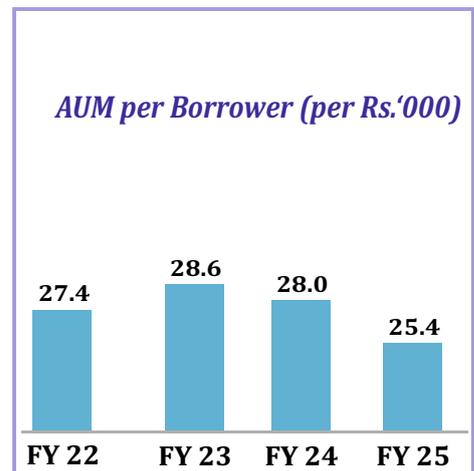
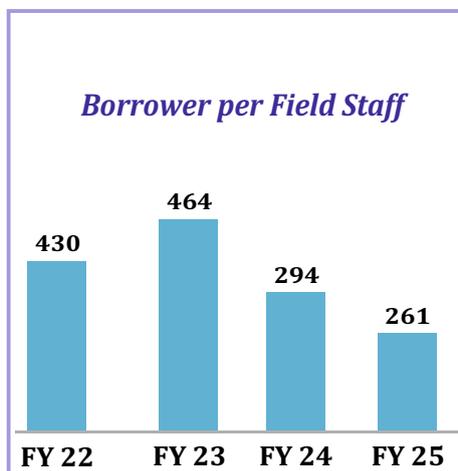
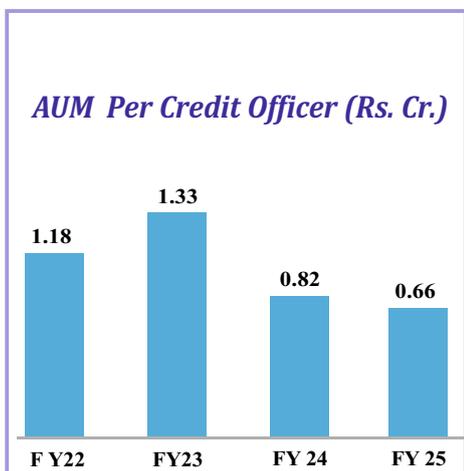
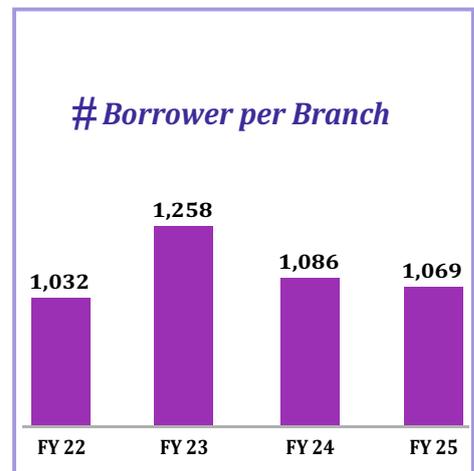
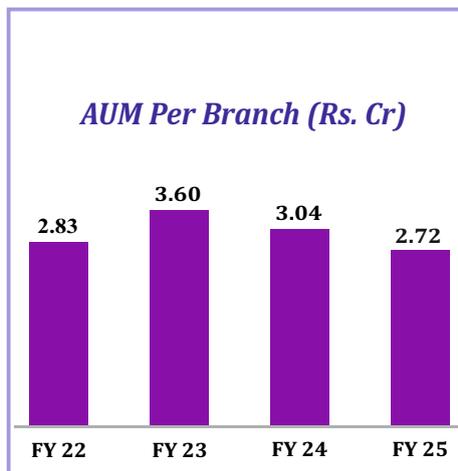
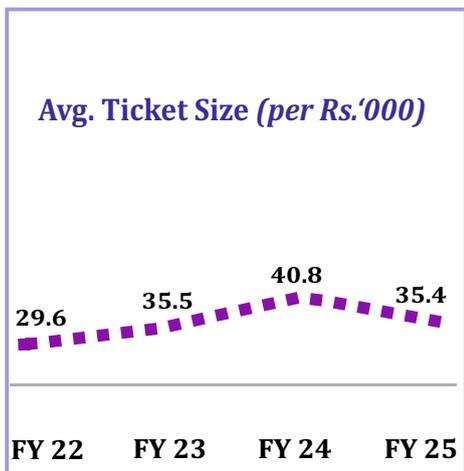
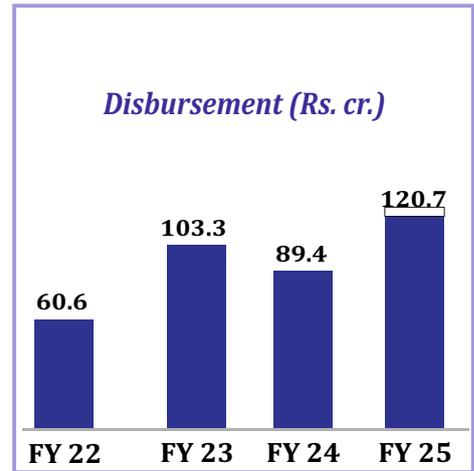
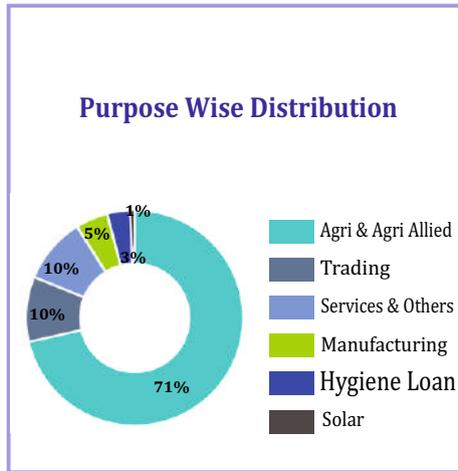
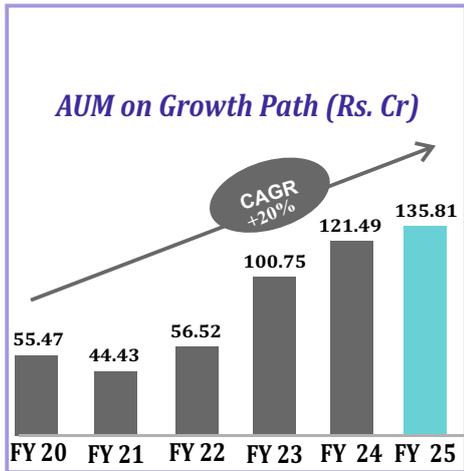
- | | | | |
|------------------|----------|----------|-----------|
| ● Kamakhya Nagar | ● Bhuban | ● Kaniha | ● Parjang |
|------------------|----------|----------|-----------|

Governance Practices

We take pride in stating that in spite of our small size, the following Corporate Governance Committees are operational in Grameen Shakti Microfinance Services Pvt. Ltd. although they are not mandatory for us.



FINANCIAL & OPERATIONAL STATISTICS



HUMAN RESOURCE DASHBOARD

As on (31st March 2025)

SL. No.	Level of Employees	Department	Designation	No. of Employees
1.	KMP	Whole Business Operations Compliances & Operational Activities	MD, COO, CS, CFO	4
2.	Senior Management	Finance, Accounts, MIS, HR, IT, Grievance, Int. Audit, Legal & Secretarial	HODs	9
3.	Second level Management	Admin, Finance, Ground level Operations, HR, IT & Internal Auditors	DGM, AGM, Managers ZM, RM & AM	31
4.	Executive Level Management	Internal Team & Operational Team	Respective Executives & BM	92
5.	On Ground Team & Others	Operations	CO, Office Assistant, Trainee BM, Peon & Driver	237
Total Employees:				373

RBI-DEA WORKSHOPS conducted by Grameen Shakti in association with Sa-Dhan:

During the FY 2024-25, Grameen Shakti conducted 36 RBI-DEA Workshops in association with Sa-Dhan across the state of Bihar. The target groups were 55 -65 participants per workshop and in total 2216 participants took part in the year long 36 workshops.

No. of Workshops	State Covered	Participants			Total
		Female	Male	Student	
36	Bihar	1958	230	28	2216



RBI-DEA Workshops at Sonaili, Bihar



RBI-DEA Workshops at Jokihat, Bihar



Our Products & Services

Grameen Shakti offer microfinance loans for Income Generating Activities to economically active women engaged in agri / agri allied activities, production, trade and services.

IGL

- **Suchona Loan-to start any business**

Loan Amount : Upto Rs. 40,000
 Loan Term : 6 Months -2 Years, Interest Rate (p.a.) : 27%
 Repayment Frequency : Weekly/Bi-weekly/Monthly

- **Pragati Loan**

Loan Amount : Rs. 41,000 to Rs. 60,000
 Loan Term : 12-18 Months, Interest Rate (p.a.) : 27%
 Repayment Frequency : Monthly

- **Unnati Loan-Scaling up business**

Loan Amount : Rs. 20,000 to Rs. 40,000
 Loan Term : 1 Year, Interest Rate (p.a.) : 27%
 Repayment Frequency : Monthly



- **Samriddhi Loan**

Loan Amount : Upto Rs. 61,000- 80,000
 Loan Term : 1.5 / 2 Years Interest Rate (p.a.) : 27%
 Repayment Frequency : Monthly

- **Uddyogi Loan-for Entrepreneurs**

Loan Amount : Rs. 20,000 to Rs. 75,000
 Loan Term : 1-2 Years Interest Rate (p.a.) : 27%
 Repayment Frequency : Weekly/Bi-weekly/Monthly

The objective of this product is to enable people to create and develop enterprises, build assets, and become entrepreneur as these loans fall under the category of Income Generating Loans.

Hygienic Loan

Loan Amount : Upto Rs. 30,000

Loan Term : 1-2 Years
 Interest Rate (p.a.) : 27%
 Repayment Frequency :
 Weekly/ Bi-weekly/Monthly

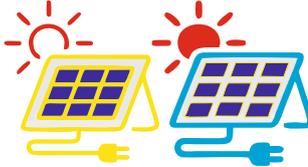


Water & Sanitation loans are introduced by GSMS to provide sustainable solutions for the people at bottom of the pyramid to access affordable finance to access drinking & Sanitation facilities.

Solar Loan

Loan Amount: Upto Rs. 10,000

Loan Term : 1-2 Years
 Interest Rate (p.a.) : 27%
 Repayment Frequency :
 Weekly/ Bi-weekly/Monthly



GSMS is promoting the use of renewable energy by distributing solar lights among its beneficiaries in a subsidized rate through our branches. We have provided loans to nearly 4100 families of our borrowers to purchase solar lights for their children's education and other purposes.

PRAYAAS Loan:

Grameen Shakti in partnership with the Small Industries Development Bank of India (SIDBI) is now extending financial assistance at an affordable rate to entrepreneurs at the bottom of the pyramid through its loan product "PRAYAAS". On 30th March 2024, Grameen Shakti disbursed its first PRAYAAS Business Loan in West Bengal. PRAYAAS loan is currently being disbursed in 3 states, and the organization aspires to add more states in the upcoming year. It is very encouraging to note that this product will empower many entrepreneurs and aims to bring many more into its fold in the coming years to meet the financing gap in this space.

Key Product Feature

Loan Amount	Rs. 50,000 to 5,00,000
Rate of Interest	18.00% P.A.
Processing Fees	1% Plus Applicable GST
Tenure	24 to 36 Months
Insurance	As per the Insurance Calculator



IT Infrastructure

IT infrastructure of **Grameen Shakti Microfinance Services Pvt. Ltd.** consists of all components that plays major role in overall IT and IT-enabled operations.

Typically, IT infrastructure consists of the following components :

HARDWARE	<ul style="list-style-type: none"> ● Server, Desktops, Laptops, Switches, Routers, Printers, Scanner CCTV and other equipment
SOFTWARE/ APPLICATION	<ul style="list-style-type: none"> ● Operating system (Microsoft Windows 10 Pro/11 Pro), Microsoft Office 16/19/21, Tally.ERP-9 & Tally Prime 6 Edit Log, Fincubb Web based and GreyTHR for HR Department
NETWORK	<ul style="list-style-type: none"> ● LAN, Internet connectivity with static IP address
SECURITY	<ul style="list-style-type: none"> ● Hardware based firewall (FORINET 60F FIREWALL) & User endpoint Antivirus (Seqrite Endpoint Security)
BACK-UP	<ul style="list-style-type: none"> ● End user centralized data backup with Network Attached Storage & in cloud (One Drive)
DEDICATED E-MAIL	<ul style="list-style-type: none"> ● Microsoft 365 email exchange
WEBSITE	<ul style="list-style-type: none"> ● www.grameenshakti.co.in

HARDWARE	SOFTWARE	WAN	<ul style="list-style-type: none"> ● Using high speed broadband/fiber connection ● Incoming/Outgoing packet filtered by firewall gateway ● Internal connection followed IEEE standardization(802.3z) ● Using separate departmental switch/router for avoiding data collision ● All wireless device protected by WPA/WPA2 and AES encryption ● Using complex password and change password periodically
IBM X3500 SERVER	WINDOWS 10 PRO/11 PRO	APPLICATION	<ul style="list-style-type: none"> ● Using original windows server/client version (windows server 2008 r2 /windows 10pro/Windows 11 Pro) ● Checked update and patches weekly ● Using original office 16 standard and office 2019 Pro and 2021 Pro. ● Using Tally prime gold ● Using SSL enabled web portal ● Using Seqrite endpoint security for protection antivirus, antimalware, antispysware ● Using Active Directory domain environment for controlling centralized resources
FORINET 60F FIREWALL	UPDATED PATCHES	DATA	<ul style="list-style-type: none"> ● Using daily basis incremental backup process ● Available centralized data backup facility ● Using NAS for data backup to protect any kind of disaster ● Cloud backup using Microsoft OneDrive ● Email Data protection by Microsoft 365
D-LINK/ TP LINK GIG SWITCH	OFFICE 16 / 2019/2021		
HIKVISION CCTV	SEQRITE ENDPOINT SCURITY		
WD NAS			
MESS AP			

Tackling Water Crisis & Sanitation issues – Sustainable Climate Resilient WASH Solutions - Transforming Lives in Flood-Prone Bengal

Through sustainable, flood resilient toilets, training programs and community empowerment, GRAMEEN SHAKTI in collaboration with FINISH & TRUST OF PEOPLE and supported by NABSMRUDDHI took the initiative of spreading awareness to the rural households about access to safe sanitation, improved health & hygiene and restoring dignity in life. Campaign for our project 'SMART WATER FOR A RESILIENT FUTURE-CLIMATE ADAPTIVE SOLUTIONS FOR SUSTAINABLE WATER MANAGEMENT' started in March 22, 2024 at Purna Nagar, Ranaghat, Nadia and successfully completed the project on July 31, 2024, at the block Bibirzole, Dhatrigram, East Burdwan.

The Mason Training Workshop for Shankar Balram Model (SBM) was held in Kankulia Sahajpur, Purba Burdwan where 119 masons were trained with Shankar Balram Model with Twin Leach Pit Septic Tank specially designed for flood prone areas.

The success of this initiative became evident in village Dangapara, Block Purbashali 1, Nasratpur Panchayat, Purba Burdwan where 350+ families can have access to better sanitation. Over 350 families adopted this model, with 20 skilled masons engaged, the project commenced on January 25, 2025, with each unit costing 51,450/-.

In 2025, FRIENDS OF WWB INDIA, long term partner of Grameen Shakti, sanctioned an amount of INR 2.0 cr. (Rupees Two Crore only) as a loan for on-lending to our clients for Water & Sanitation (WASH) purposes.

Our services to the clients

Client Awareness:

Through Group Meetings, Clients are being made aware of all products/services offered and all terms and conditions are disclosed in a language understood by the clients. Clients consent are also taken before disbursement of any loan. Clients are also informed about the prevailing interest rate charge, processing fee & insurance fee as per RBI guidelines. Clients are also informed about the FPC guidelines of RBI. Clients can take help of Company's Grievance Redressal Mechanism if there is any deficiency of service rendered by Grameen Shakti.

Workshop / Seminar:

Workshops with the Clients are held on a regular basis to receive the feedback and any suggestion given by them. It helps to strengthen the bondage with the clients.

Financial Literacy Training :

Group Meetings also help in spreading of Financial Literacy. Clients are made aware of KYC procedures. They are taught, if required, vernacular alphabets & numbers, so that they can put their signatures and know how much loan amount she is receiving so that chances of duping are eliminated. Banking habits are also developed as funds are disbursed through the bank only.



WASH Programme in Purba Bardhaman



**MICROENERGY CREDITS
GRAMEENSHAKTI MICROFINANCE SERVICES PVT. LTD.**

ABOUT MICROENERGY CREDITS

Mission:

To empower every community, especially women, with access to affordable and innovative clean energy solutions, while moving towards a world free of both poverty and climate change.

MicroEnergy Credits (MEC) helps MFI's & other organisations launch and scale clean energy lending programs by connecting them to carbon markets. As a trusted provider of social impact carbon credits, our programs empower rural and low-income women to take control of their clean energy future while providing institutions committed to positive climate action with carbon credits with verifiable impact.



EMPOWERING MICRO ENTREPRENEURS THROUGH CARBON FINANCE

Grameen Shakti's clean energy program illustrates its dedication to serving the bottom-of-the-pyramid section of society by providing customized financial solutions.

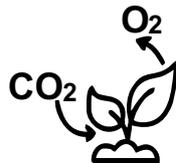
Grameen Shakti Clean Energy Program Impact:



Households empowered with clean energy:
11,366



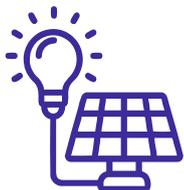
Individuals empowered:
50,010



Emission reductions issued till date (in tons CO2e):711

The partnership between Grameen Shakti and MEC came into effect on November 02, 2022. Grameen Shakti's products were included in the MEC program starting with Monitoring Period MP13 (2021). Subsequent products were added during each monitoring period. The monitoring period is of one year, from February 1 to December 31, with issuance occurring once annually. Grameen Shakti focuses on solar lighting systems and led inverter bulbs products.

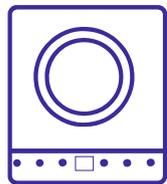
ACTIVE CLEAN ENERGY TECHNOLOGIES



Solar Light



Solar Cookstove



Induction Cookstove



LED Lighting



Improved Cookstove



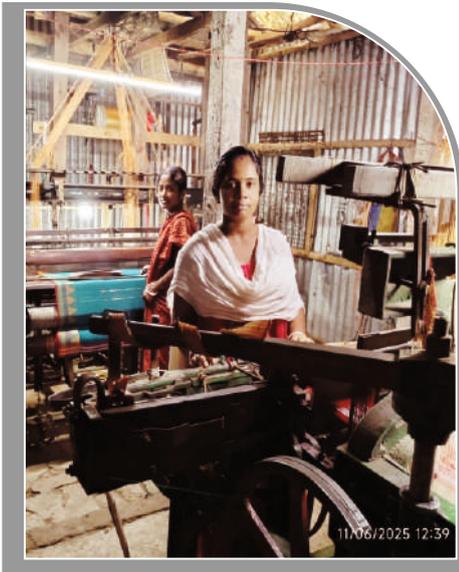
Water Purifiers

*Success Stories***Sima Das****Ghuskara, East Burdwan
Center - Khushi****(Inputs from Mr. Subrata Panda, RM)**

Sima belongs to a farmer family. Her parents are engaged in farming and their family income is not sufficient to cover the educational and other expenses of their children. Sima, being the eldest, after passing High School exam decided to do some business but lacked capital. She came to know about the collateral free low interest loan of 'Grameen Shakti'. Once she approached local office of 'Grameen Shakti', she was given a loan of Rs. 40,000/-. With the capital, she renovated a part of their house to a small shop and started selling cosmetics and imitation jewellery. Soon her business flourished and she added more items in her shop. She did brisk business during festivals and earned enough money to pay regular EMIs. A small venture on her part helped her to generate her own income and support the family at times of need. She is grateful to the 'Grameen Shakti' for the timely financial support and encourages her neighbours to follow her path.

**Rumpa Pal****Vill- Dhakapara, Santipur
Nadia****Branch : Santipur****(Inputs from Mr. Pradip Basak, RM)**

Rumpa belonged to a very poor family and was married at an early age to an equally impoverished family. Her husband was engaged as a daily worker in a sweet shop and his paltry earning was not enough to sustain a family consisting of his wife and three daughters. Rumpa thought of supporting her husband in order to increase their earning. At this point of time, she came to know about the collateral free low interest loan of 'Grameen Shakti'. Once she approached GSMS, she was given loan of Rs. 40,000/- out of which she took on lease one handloom. She started weaving sarees and her small beginning was enough to make monthly loan repayments and increase her earnings. Slowly she gained confidence and soon she expanded her business by adding one more loom by taking another loan. *"I am grateful to 'Grameen Shakti' for the timely financial support otherwise I would have been ruined"* said jubilant Rumpa Pal.



Management Discussion & Analysis

The Indian economy is expected to maintain its momentum in FY25, building on the resilience demonstrated in recent years despite persistent global uncertainties. A combination of pragmatic policy reforms, sustained government capex, and a stable macroeconomic environment has positioned India as a key driver of global growth. While the global economic landscape remains volatile – with inflationary pressures, geopolitical tensions, and policy shifts by major central banks – India continues to outperform, supported by strong fundamentals. The healthy balance sheets of corporates, robust banking and financial systems, and a resurgence in private consumption and investment are expected to sustain growth through FY25. According to the RBI's Monetary Policy Committee, India's real GDP growth for FY25 is projected at 7.2%, reaffirming its position as the fastest-growing major economy. This growth will likely be driven by strong domestic demand, infrastructure-led public investment, and a gradual recovery in global trade conditions.

On the inflation front, while headline inflation has shown signs of moderation, food inflation remains a concern due to climatic unpredictability and rising input costs. However, assuming a normal monsoon, food price pressures are expected to ease in the latter half of FY25. The RBI projects CPI inflation to average 4.5% during the year, though upside risks remain due to global crude oil price volatility, geopolitical developments, and firming of non-energy commodity prices. Financial markets are likely to remain sensitive to shifts in global monetary policies. Equity markets are expected to remain buoyant, supported by strong earnings growth, robust retail participation, and a favourable macroeconomic outlook. The Indian rupee may witness two-way movement in line with global currency trends and capital flows.

In summary, FY25 is poised to be another year of solid economic performance for India, underpinned by structural reforms, resilient domestic drivers, and cautious monetary management. However, proactive policy interventions and close monitoring of inflationary trends – particularly in food and energy – will be essential to sustain growth momentum and macroeconomic stability.

Company Overview

Business and Operations Update.

Fy25 commenced on a strong and productive note, marked by substantial expansion in the branch network- growing from 40 branches as on March 31, 2024, to 63 branches as on March 31, 2025. During the same period, the company's Assets Under Management (AUM) increased to ₹121.49 crore, reflecting a year-on-year growth of 12%. These developments underscore Grameen Shakti's focused efforts towards strategic expansion, both in terms of geographical outreach and portfolio size. The company remains committed to building a high-quality portfolio by leveraging its extensive branch network, robust technology platform, and streamlined operational processes. For the next FY the company is projecting 31% AUM growth and target NTC borrowers to foster the financial inclusion.

Collection:

Grameen Shakti views the microfinance business and operational model primarily as a collections-driven framework. Given that the target customer segment is largely financially excluded and may exhibit tendencies toward financial indiscipline, it becomes imperative to maintain a structured and rigorous collection and follow-up process. Grameen Shakti follows a carefully designed strategy to implement effective collection and recovery mechanisms, along with proactive monitoring of stressed accounts. This has enabled focused engagement with different client segments based on their repayment behaviour and risk profile.



Asset Quality:

As of March 31, 2025, the Company's PAR>30 stands at 9.58% and PAR>90 at 2.65%. As of March 25, 2025, the loan loss provision amounts to ₹0.94 crore. In light of the reported figures, the monitoring team has adopted a cautious and well-structured approach aimed at strengthening collection and recovery mechanisms. Timely and proactive steps are being taken to closely monitor stressed accounts and reduce the PAR>30 and PAR>90 levels. It is noteworthy that the Company has no restructured portfolio as of March 31, 2025. The Company has also undertaken prudent provisioning to adequately cover the non-performing portfolio as per the RBI provisioning norms.

Financial Performance

In FY 2024–25, the Company recorded an operating revenue of ₹18.54 crore, reflecting a year-on-year growth of 21% compared to ₹15.34 crore in FY 2023–24.

The net profit for the year ended March 31, 2025, stood at ₹0.30 crore, as against ₹1.95 crore in the previous fiscal. The decline in profitability was primarily attributable to lower portfolio growth during the year, owing to the implementation of Guardrail 2.0, which involved significant policy-level changes, system enhancements, and comprehensive staff training to enable a holistic adoption.

Despite the temporary impact, the management remains optimistic about achieving quality growth across both financial and operational parameters in FY 2025–26.

Operating Expenses

The operating expenses of the Company increased during the year by 55.38% Y-o-Y from Rs. 7.14 Cr. in FY24 to Rs. 11.09 Cr. in FY 2025 as the Company continued to invest in human capital for supporting the existing and new businesses. The Operating Expenses to average AUM ratio increased marginally to 8.20% compared to 6.74% last year.

Provisions and contingencies & write-off

The Company provided a provision of Rs. 0.79 Cr. towards non-performing assets and Rs. 0.15 Cr towards standard assets. The total provision made for the FY 2024 towards loan loss is Rs. 0.94 Cr. During the FY 2024, the company has written off Rs. 0.59 Cr. The company GNPA & NNPA stands at 2.65% and 0.56% as of 31st March 2025 respectively.

Capital Management & Equity Infusion

The Company continues its endeavour for greater capital efficiency and propping up its capital adequacy to augment shareholder value. During FY 2025, the company raised an Optionally Convertible Preference Share (OCPS) of Rs. 1.00 crore from the Small Industries Development Bank of India (SIDBI) under the Indian Microfinance Equity Fund (IMEF).

The Company's overall capital adequacy ratio (CAR) stood at 48.27% at the end of the year, well above the regulatory benchmark requirement of 15% stipulated by the Reserve Bank of India (RBI). Of this, Tier I CAR stands at 41.33% (against the minimum regulatory requirement of 12%). As of 31st March 2025, the Company's Tier II CAR stood at 6.94%

System Efficiency

Grameen Shakti is currently undergoing a comprehensive digital transformation aimed at enabling seamless, online, and cashless transactions across both customer onboarding and loan repayment processes. The organization is leveraging FINNCUB, an agile and scalable technology platform, as a unified solution to drive this digital shift.



All core operations are being integrated into this centralized system, streamlining workflows and enhancing data visibility across departments. The adoption of FINNCUB is expected to deliver multiple efficiencies, including reduced operational expenditure, real-time tracking and monitoring, automated field force management, paperless documentation, improved process controls, and overall enhancement in operational productivity and scalability.

Client onboarding and repayment collection are carried out at the field level via a Mobility Application. The system is integrated with real-time Credit Bureau (CB) checks, which are triggered automatically during the onboarding process. Additionally, Aadhaar-based eKYC has been enabled using OTP authentication and QR code scanning, which auto-populates client details for seamless CB verification.

The platform also includes third-party APIs for bank account verification through both penny-drop and penny-less methods, effectively reducing fraud risk and ensuring accurate fund disbursement. Furthermore, geo-fencing is implemented for all client residences and meeting centers, enabling precise location verification and enhancing operational efficiency through spatial analytics.

With the implementation of the system, real-time access to MIS reports has been streamlined, significantly enhancing decision-making capabilities for the management. The solution is deployed at the branch level with both online (internet-based) and offline functionality, enabling each branch to operate and manage the system independently.

Human Capital

Grameen Shakti recognizes the importance of nurturing diverse talent as well as building a strong organizational culture by adopting many best HR practices to support employee well-being initiatives at the organization. Professional grooming and leadership development, are another two major areas that the organization continues to give emphasis. HR ensures that the respective team leads of different departments spend time with their colleagues to understand the aspirations and gauge the need for any technical knowledge/skill development. Not only this, Grameen Shakti even encourages cross-functional movement, which has given reaping benefits to the majority of cases in boosting performance in a new set of challenges and interest areas. Grameen Shakti has also focused on facilitating posting the women employees closest to their home location so that they can take care of their babies and take breaks to feed the child.

Designing Socially Responsible Products & Services

Grameen Shakti integrates credit with socially responsible services like Water & Sanitation– it is a complete package of services given to our clients that includes awareness building on the use of safe sanitary uses, and providing financial services to build toilets. The clients are offered financial assistance to construct toilets at close quarters of their households through this product.

Credit Linked Life Insurance is a cover for the loan amount given to the clients, and the client can take the insurance for herself and her spouse. In any unfortunate incident of death of the client or the spouse, the family gets the installments back that had already been paid to Grameen Shakti, and on the other hand, Grameen Shakti gets back the remaining outstanding amount. Grameen Shakti also provides financial assistance for SOLAR loans to purchase SOLAR products for their daily use.



Showing Empathy

Apart from engaging with clients, the organization takes Client-centric activities to the next level and provides funeral ex-gratia amount of Rs. 1000 to the family in the incident of the unfortunate demise of the client or her spouse,

Grameen Shakti provides health check-up assistance in every branch for its clients to take benefits like expert advice from visiting physicians on communicable diseases, developing daily healthy habits, usual health check-ups, and getting general medicines without any charge.

Moreover, in the event of natural calamities or Pandemics, Grameen Shakti comes forward to support the affected clients and non-clients.

Financial Literacy Initiatives

Deepening Client Relationships: Microfinance remains a largely cash-dependent sector. Client retention, a critical goal for any business, is equally vital for MFIs, which must develop strategies to retain a majority of their clients while steadily expanding their base.

Recognizing the importance of this, Grameen Shakti places significant emphasis on client relationships and engagement across all levels of the organization to position itself as a preferred lender. However, maintaining regular personal interactions with clients can lead to increased operating costs. To address this challenge, the team explored cost-effective alternatives that would support continued engagement while focusing on building the financial capabilities of the target clientele.

Taking all these factors into consideration, the organization has implemented a centralized tele-calling module for push calls, enabling outreach to a larger number of clients. This approach not only facilitates meaningful engagement but also helps the team better understand client needs and deliver improved service quality.

Internal Audit:

Grameen Shakti's Internal Audit function provides independent assurance to the Board of Directors on an ongoing basis on the quality and effectiveness of its internal controls, risk management, governance systems, and processes. The Company follows a risk-based rating model for audit of the branches which is conducted through a tested and comprehensive in-house audit framework/tool. This tool adheres to RBI guidelines, SRO directives, and other regulatory necessities. Every branch is audited at least once within a quarter. Field auditors capture observations against all the parameters and scoring of Branch audit reports is done at the central level. Audit reports and their key summary points are presented to the Audit Committee every quarter.

Grievance

Grameen Shakti has a dedicated grievance function where customers can reach out in case of any query, complaint, or service request. Customers can reach out to the grievance department through a dedicated phone number printed on the passbook, email, letter, or by visiting the nearest branch. The grievance team ensures that each case is investigated thoroughly by the respective department, and a resolution is provided to the customers at the earliest. In FY 24-25, a total of 57 complaints, 135 queries, and 82 service requests were received. No complaints were pending as of 31st March 2025.

Awards & Recognition

Grameen Shakti received 'SKOCH Order of Merit' award for 'Financial Inclusion & Education Awareness' in 2025. Grameen Shakti was also awarded 'Best Performing MFI in WASH Sector-East' in 2024 by FINISH & TRUST OF PEOPLE.



DIRECTORS' REPORT

**To
The Members of
Grameen Shakti Microfinance Services Private Limited**

The Directors have the pleasure in presenting their Directors' Report providing an outlook on the business and operations of the Company together with the Audited Financial Statements for the Financial Year ended 31st March, 2025.

FINANCIAL PERFORMANCE:**Amount in Rs.**

Particulars	Year ending on 31.03.2025	Year ending on 31.03.2024
Total Revenue	18,54,40,461	15,34,16,632
Total Cost	18,12,28,030	13,11,15,505
Profit Before Tax	42,12,431	2,23,01,127
Tax Expenses	11,80,588	28,02,825
Profit After Tax	30,31,843	1,94,98,302
Microfinance Portfolio	37,90,25,245	50,57,81,257
Net Owned Fund	20,85,79,294	19,79,49,095
% of Financial Assets over Total Assets	68.32%	75.64%

REVIEW ON OPERATIONS OF THE COMPANY

As of **31st March 2025**, the Company reported a **CAR of 48.28%**. The CAR is, nevertheless, higher than the RBI's requirement (15%) for NBFC-MFIs. The present CAR is comfortable to attract external lenders. The **Operating expense ratio (Opex)** stands at **8.20% in FY 2024-25**.

In the **last FY (2024-25)** the borrowing outstanding stands at **Rs. 30.72 cr.** Our loan portfolio stands at **Rs. 37.90 cr.** the borrower base increased to **53,598** and Profit before Tax is **Rs. 0.42 cr.** Further, the financial position of the company is stable during the year. The total revenue stands at Rs. **18.54 Cr.** as of **31.03.2025** as compared to Rs. **15.34 cr.** as of **31.03.2024**.

PROSPECTS

The last financial year witnessed a 12% jump in AUM. At present, The Company has a dynamic Five-Member Board of Directors comprising of microfinance experts and ex-bankers. The Company is also proactively building the second line of management preparing it to be in line with the ongoing developments of the industry. At present we have a well geographically diversified operation spread over 4 states of West Bengal, Bihar, Odisha and Jharkhand and has plans to expand to two more states soon.

RESOURCES

The main source of funding for the Company continues to be the credit lines from the banks and financial institutions. The Company has ventured into Business correspondence with ESAF Small Finance Bank, Catholic Syrian Bank, Avanti Finance. Last year, SIDBI came forward with the infusion of OCPS under IMEF for Rs. 3 cr. Under the 'PRAYAAS 2.0' scheme for Direct Credit



to Micro Enterprises, SIDBI has on-boarded Grameen Shakti with a partnership limit of Rs.15 cr. with an operative limit of Rs.10 cr. Management has been making continuous efforts to broaden the resource base of the Company to maintain its competitive edge. The Board of Directors is confident that the Company will be able to raise adequate capital for onward lending in line with its business plans.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company during the year under review. The Company being an NBFC-MFI is engaged in the activity of providing microfinance services.

PUBLIC DEPOSIT

The Company did not invite/accept any deposit from the public during the financial year 2024-25.

SHARE CAPITAL

The **Authorised share capital** of the Company as of 31st day of March 2025 stands at **Rs. 18,00,00,000/-** comprising of 91,34,135 equity shares of Rs. 10/- each and 30,00,000 preference shares of Rs. 10/- each.

The **Paid-up share capital** of the Company as of the 31st day of March 2025 is **Rs. 12,13,41,350/-**.

ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS, SWEAT EQUITY, ESOP ETC., IF ANY

there is no issue of equity shares with differential rights, sweat equity, ESOP etc. during the last Financial Year

DIVIDEND:

The Board **has approved Rs. 24,14,269 toward the dividend against the Optionally Convertible Preference Share (OCPS) from the Small Industries Development Bank of India (SIDBI)** for the financial year ending 31st March 2025.

ESTABLISHMENT OF CSR POLICY AND RELATED DISCLOSURE / COMPLIANCES

Though Corporate Social Responsibility initiatives, as stipulated in Section 135 of the Companies Act, 2013, are not applicable still the Company is engaged in various social initiatives of helping the under-privileged & neglected sections of the society.

STATUTORY AUDITORS:

M/s. SRB & Associates, Chartered Accountants, A-3/7, Gillander House, 8, N. S. Road, Kolkata-700001 (**Firm Registration Number: 310009E**) were re-appointed as Statutory Auditors of the Company by the shareholders at 27th Annual General Meeting of the Company held on 6th July, 2020 to hold the office **till the conclusion of the 32nd Annual General Meeting to be held in the year 2025**. The Company has obtained from the auditors, a certificate as required under Section 139 of the Companies Act, 2013 to the effect that they are eligible to continue as the statutory auditor of the Company.



As regards the comments in the Auditors' Report, if any, the relevant notes in the Financial Statements are self-explanatory and may be treated as information/ explanation submitted by the Board as contemplated under provisions of the Companies Act, 2013. No fraud was reported by the Auditor during the period under report.

The provisions of Section 204 of the Companies Act, 2013 relating to submission of Secretarial Audit Report is not applicable to the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The present Board of Directors and KMP of the Company comprise of the following members:

Sl. No.	NAME	DIN/M.No.	DESIGNATION
1.	Mr. Ganesh Chandra Modak	02805427	Managing Director
2.	Mrs. Sukriti Mukhopadhyay	06706862	Director
3.	Mrs. Sundari Modak	07242602	Director
4.	Mr. Gautam Sen	09198809	Independent Director
5.	Mr. Pranab Kumar Saha	07693818	Independent Director

The Board of Directors of the Company has a good blend of Bankers and microfinance experts as required for the smooth functioning and eventual growth of the Company. It also has an even distribution of male and female directors.

AUDIT COMMITTEE

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing, and reporting practices of the Company and its compliance with the legal and regulatory requirements.

The Audit Committee was constituted in compliance with the provisions of the Companies Act, 2013. The Audit Committee comprises the following members:

SL.No.	NAME OF MEMBER	DESIGNATION
1.	Mr. Pranab Kumar Saha	Chairman
2.	Mrs. Sundari Modak	Member
3.	Mr. Gautam Sen	Member

The Scope and terms of reference of the Audit Committee have been made in accordance with the Act.

During the year, the Audit Committee met five times:



SL.No.	Year	DATE OF MEETING	QUORUM
1.	2024-2025	15.05.2024	100%
2.	2024-2025	10.07.2024	100%
3.	2024-2025	12.08.2024	100%
4.	2024-2025	06.12.2024	100%
5.	2024-2025	20.01.2025	100%

During the year under review, all the recommendations of the Committee were duly considered and acted upon by the Board.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee assists the Board of Directors to maintain a formal and transparent procedure for setting policy on Directors' remuneration and to determine appropriate remuneration packages for all Directors and senior employees. The Remuneration Committee also ensures that remuneration arrangements support the strategic aims of the business and enable the recruitment, motivation and retention of senior executives while complying with all rules and regulations. It was constituted in compliance with the provisions of the Companies Act, 2013. The Nomination and Remuneration Committee comprises the following members:

SL.No.	NAME OF MEMBER	DESIGNATION
1.	Mr. Gautam Sen	Chairperson
2.	Mrs. Sukriti Mukhopadhyay	Member
3.	Mr. Ganesh Ch. Modak	Member

The Scope and terms of reference of the Nomination & Remuneration Committee have been made in accordance with the Act.

During the financial year, the Nomination & Remuneration Committee met 3 times:

SL.No.	Year	DATE OF MEETING	QUORUM
1.	2024-2025	14-05-2024	100%
2.	2024-2025	10-07-2024	100%
3.	2024-2025	06-12-2024	100%

During the year under review, all the recommendations of the Committee were duly considered and acted upon by the Board.

GRIEVANCE REDRESSAL COMMITTEE

The Grievance Redressal Committee was constituted in compliance with the norms laid down by The Reserve Bank of India to understand and address the complaints raised by end borrowers. The Grievance Redressal Committee comprise the following members:



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SL.No.	NAME OF MEMBER	DESIGNATION
1.	Mrs. Sundari Modak	Chairperson
2.	Mrs. Sukriti Mukhopadhyay	Member
3.	Mr. Ganesh Chandra Modak	Member

During the financial year, the Grievance Redressal Committee met twice:

SL.No.	Year	DATE OF MEETING	QUORUM
1.	2024-2025	14-05-2024	100%
2.	2024-2025	06-12-2024	100%

During the Year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

FINANCE COMMITTEE

The Finance Committee assists the Board in reviewing and accept urgent financial matters relating to the sanctioned credit lines from the banks and financial institutions. The Finance Committee comprises the following directors:

SL.No.	NAME OF MEMBER	DESIGNATION
1.	Mr. Ganesh Chandra Modak	Chairperson
2.	Mrs. Sundari Modak	Member
3.	Mrs. Sukriti Mukhopadhyay	Member

The Scope and terms of reference of the Finance Committee have been made in line with the purpose of the constitution of the Committee.

During the year, the Finance Committee met 18 (Eighteen) times:

SL NO	YEAR	DATE OF MEETING	QUORUM
1	2024-2025	22-04-2024	100%
2	2024-2025	05-06-2024	100%
3	2024-2025	01-07-2024	100%
4	2024-2025	15-07-2024	100%
5	2024-2025	16-07-2024	100%
6	2024-2025	26-07-2024	100%
7	2024-2025	13-08-2024	100%
8	2024-2025	20-08-2024	100%
9	2024-2025	29-08-2024	100%
10	2024-2025	02-09-2024	100%
11	2024-2025	29-09-2024	100%
12	2024-2025	09-01-2025	100%
13	2024-2025	18-01-2025	100%
14	2024-2025	20-01-2025	100%
15	2024-2025	10-02-2025	100%
16	2024-2025	15-02-2025	100%
17	2024-2025	11-03-2025	100%
18	2024-2025	18-03-2025	100%



During the Year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee was constituted in compliance with the provisions of the Companies Act, 2013 monitor, review and implement risk related policies and plans and ensure adequate risk management. The Risk Management Committee comprises the following members:

SL.No.	NAME OF MEMBER	DESIGNATION
1.	Mr. Ganesh Chandra Modak	Member
2.	Mrs. Sukriti Mukhopadhyay	Member
3.	Mr. Sidhant Mohanty	CFE

The Scope and terms of reference of the Risk Management Committee have been made in accordance with the Act.

During the year, the Risk Management Committee met twice

SL.No.	Year	DATE OF MEETING	QUORUM
1.	2024-2025	14-05-2024	100%
2.	2024-2025	06-06-2023	100%

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES

The Board of Directors of the Company has framed “**Vigil Mechanism Policy**” for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on rising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports etc. The employees of the Company have the right/option to report their concern/grievance to the highest authorities. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

DECLARATION OF INDEPENDENT DIRECTORS

Being an Unlisted Private Ltd. Company, declaration by Independent Director(s) that he/she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 is not required.

BOARD MEETING:

In the last financial year, 5 (Five) meetings of the Board of Directors were convened and held on:

SL.No.	Year	DATE OF BOARD MEETING	GAP FROM PREVIOUS BOARD MEETING	QUORUM
1.	2024-2025	15-05-2024	46	100%
2.	2024-2025	10-07-2024	56	100%
3.	2024-2025	12-08-2024	33	100%
4.	2024-2025	06-12-2024	116	100%
5.	2024-2025	02-01-2025	46	100%



The intervening gap between the meetings was within the period as prescribed under the Companies Act, 2013. Mr. Ganesh Chandra Modak, Mrs. Sundari Modak, Mrs. Sukriti Mukhopadhyay, Mr. Pranab Kumar Saha and Mr. Gautam Sen attended all the five meetings during the year.

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

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company. However, for good corporate governance the company has framed a policy for Selection and Appointment of Directors and constituted the Nomination and Remuneration Committee for successful execution of the said policy. The aforesaid Policy provides a framework to ensure that suitable and efficient succession plans are in place for appointment of Directors on the Board so as to maintain an appropriate balance of skills and experience within the Board. The Policy also provides for selection criteria for appointment of Directors, viz., educational and professional background, general understanding of the Company's business dynamics, global business and social perspective, personal achievements and Board diversity. In addition, the policy also contains principles relating to remuneration payable to Directors.

DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

The Company has no subsidiary, associate or joint venture during the financial Year ended 31st March 2025.

RISK MANAGEMENT

The Company has a Board approved Risk Management Policy wherein all material risks faced by the Company viz. Credit Risk, Operational Risk, Compliance Risk, Price and Interest rate Risk are identified and assessed. Risk Management Committee headed and managed by competent, qualified and experienced personnel for identification,

CSR & ESG INITIATIVES OF GRAMEEN SHAKTI

Community welfare and sustainable social performance is an integral part of Grameen Shakti Microfinance Services Pvt Ltd's (Grameen Shakti) essence of doing business. It is based on the belief that businesses have a greater duty to the Society than just providing jobs and making profits. In our pursuit of making profit, we always consider that what we are giving back to the Society and to the Community.

There are several ways a Company can integrate CSR into business. Grameen Shakti has made fulfillment of responsibility towards its stakeholders, especially its borrowers, employees, and the community it operates, through Donations and Sponsorships & Operational Initiatives.

1. Donations and Sponsorships

Grameen Shakti through Gram Bikash Kendra, has embarked on a philanthropic mission of providing quality education to the poor, orphan, and single-parent children of the rural population who can't afford to send their kids to school. Ramakrishna Sarada Missionary Vidyapith, under Gram Bikash Kendra, is a boarding school with more than 600 students studying from Nursery to class X.



2. Operational Initiatives

Operational CSR initiatives usually revolve around improving business efficiency or performance through positive social and environmental impacts.

- a) Reducing Carbon footprints
- b) Improving Hygiene through sanitation programs and waste management

Grameen Shakti has a presence across 4 states with 63 branches, 350+ employees, and more than 53 thousand clients as of 31st March 2025. It offers a wide range of financial products and non-financial services to its clients, ranging from Joint Liability Group Loan, Micro Business Loan, Solar Loan, and loan for water and sanitation.

Solar Loan encourages the use of solar lamps and utensils in rural households thereby reducing carbon footprints. Loans for building toilets also help in eradicating open defecation and thereby improving health and hygienic condition of the Community.

Credit Life Insurance; Financial and Digital Literacy Workshops; Livelihood Training, etc. By facilitating a myriad of affordable financial products and services, Grameen Shakti aspires to expand its reach to a large number of financially underserved households in both rural and semi-urban areas, for the effective upliftment of their quality of life and living standard.

Grameen Shakti also extended '**Funeral Expenses**' to the deceased client and co-borrower. Client-centric activities are the USP of Grameen Shakti and for it the Company had won awards and accolades in the past.

CODE OF CONDUCT AND RESPONSIBLE LENDING:

Grameen Shakti has adopted the MFIN-Sadhan Code of Conduct, RBI's Fair Practice Code (FPC), and Code for Responsible Lending (CRL) which are implemented and monitored periodically. Grameen Shakti has incorporated all the fair practices in its training modules for improved product diversification, client satisfaction, efficient processes, and reasonable growth of Grameen Shakti.

Grameen Shakti conducts both external and internal assessments to validate the scalability, sustainability, and reliability of its processes and policies. During FY 24-25, Grameen Shakti received the following external ratings:

1. MFI Grading from M-Cril
2. Code of Conduct Assessment (COCA) from M-Cril

INFORMATION PURSUANT TO RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

The Company being a Private Company, furnishing details as specified in Rule 5 (1) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's office premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.



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

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of the Directors' knowledge and belief and according to the information and explanations obtained, the Directors make the following statements in terms of section 134 (3)(c) of the Companies Act, 2013:

- I. that in the preparation of the annual financial statements for the year ended March 31, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit and loss of the Company for that period.
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual financial statements have been prepared on a going concern basis;
- v. the Company being unlisted, sub clause(e) of section 134(5) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company;
- vi. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

IMPLEMENTATION OF AUDIT TRAIL

The Ministry of Company Affairs through its notification issued on **24th March 2021**, relating to **Audit Trail**, is applicable on all companies. And therefore, with effect from April 1, 2023, all accounting software used by Indian Companies must have an audit trail feature. Likewise, the company has implemented the same in the accounting software "**TALLY PRIME GOLD**" which is used by the Company as its accounting software with effect from **1st April, 2023**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The provisions of section 186 of the Companies Act, 2013 pertaining to investment and lending activity is not applicable to the Company since the Company is a Non-Deposit Taking Non-Banking Financial Company registered with The Reserve Bank of India.

DISCLOSURES OF AMOUNTS, IF ANY, TRANSFER TO ANY RESERVES.

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 Statement. Accordingly, an amount of **Rs. 6,06,369/-** from the net profits for the financial year under review is proposed to be carried to **Special Reserve Fund** as required under the Guidelines of The Reserve Bank of India.



RBI GUIDELINES

The Company has complied with and continues to comply with all the applicable regulations and directions laid down by The Reserve Bank of India (RBI).

Applicable disclosures as prescribed by Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2015 and other NBFC regulations have been made in this Report.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

Except as disclosed elsewhere in this report, no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate on the date of this report.

DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations. Hence, disclosure pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 is not required.

COST RECORD

The Directors state that the overall turnover of the company does not exceed the limit prescribed for maintenance of Cost Records as specified by the Central Government under Section 148(1) of the Companies Act, 2013. Accordingly, such accounts and records are not made and maintained by the Company.

SECRETARIAL STANDARD

The Directors state that applicable Secretarial Standard i.e., SS-1 and SS-2 relating to meeting of the Board of Directors and General Meetings respectively have been duly followed by the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are as follows:

CONSERVATION OF ENERGY:

SL.No.	PARAMETERS	APPLICATION
i)	The steps taken or impact on conservation of energy.	The Company, being a non-banking financial company (NBFC), does not have any manufacturing activity and the Company's activities involve very low energy consumption.
ii)	The steps taken by the company for utilizing alternate sources of energy.	Not applicable, in view of the cause stated in clause (i)
iii)	The capital investment on energy conservation equipment's.	Not applicable, in view of the cause stated in clause (i)



TECHNOLOGICAL ABSORPTION:

SL.No.	PARAMETERS	APPLICATION
i)	The effort made towards technology absorption	<i>Nil</i>
ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	<i>Nil</i>
iii)	In case of imported technology (important during the last three years reckoned from the beginning of the financial year) a) the details of technology imported a) the year of import; c) whether the technology has been fully absorbed d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	<i>Nil</i>
iv)	The expenditure incurred on Research and Development	<i>Nil</i>

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, there was no foreign exchange used or earned at all.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS PURSUANT TO RULE 8 (5) (viii) OF COMPANIES (ACCOUNTS) RULES, 2014

The Company has an adequate internal financial control system, commensurate with the size of its business operations.

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review. Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required. However, the Directors draw attention to the Notes of the Financial Statements which sets out related party disclosures.

ANNUAL RETURN

The extracts of Annual Return are available in the website of the Company www.grameenshakti.co.in.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

The Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).



PRESENTATION OF FINANCIAL STATEMENTS

The Financial Statements of the Company for the year ended 31st March 2025 have been disclosed as per Schedule III to the Companies Act, 2013.

ACKNOWLEDGEMENTS:

The Directors acknowledge and place on record its sincere appreciation and gratitude to the employees of the Company at all levels for their dedicated service and commitments, to The Reserve Bank of India, Governments and its statutory agencies for the support, guidance and co-operation, to the investors, shareholders bankers and other financial institutions and customers for the whole hearted support and confidence reposed on the Company and the Management.

By order of the Board
For Grameen Shakti Microfinance Services Private Limited



Ganesh Chandra Modak
Managing Director
(DIN: 02805427)
Place: Kolkata
Date:



Sukriti Mukhopadhyay
Director
(DIN: 06706862)



SRB & Associates
CHARTERED ACCOUNTANTS

A-3/7, GILLANDERS HOUSE
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BANGALORE | HYDERABAD | AHMEDABAD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF "GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED".

Report on the Audit of the Financial Statements.

Opinion:

We have audited the accompanying financial statements of "GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED" ("the Company"), which comprise the Balance Sheet as at March 31, 2025, 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, 2025, the profit, changes in equity 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 Loan Portfolio.	<p>Principal Audit Procedures</p> <p>a. We assessed the company's procedure to identify the 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 and tested the effectiveness of the internal control.</p>
2.	<p>Provision for Loan/credit losses: 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.</p> <p>We identified Provisions for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses.</p> <p>Refer Notes 6, 20 & 21 to the financial statements.</p>	<p>Principal Audit Procedures Our audit procedures related to the Provision for credit losses against Loan assets:</p> <p>We tested the effectiveness of controls over the (1) development of the methodology for the Provision for Loan losses, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of the allowance for credit losses. For a sample of customers:</p> <p>We tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information.</p> <p>We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.</p>

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

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

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total income and cash flows of the Company in



accordance with the AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. **A.** As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flows Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from Directors as on March 31, 2025, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2025, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013;



f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B to this report;

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company does not have any pending litigations which would have impact its Financial Position as on 31st March 2025.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d.
 - i. 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.
 - ii. 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
 - iii. 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 proposed a dividend to the Preference Shareholders (Optionally Convertible) for the year at the coupon rate which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- f. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. [Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.



3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, the same is not applicable to the company, it being a private company.

Place: Kolkata
Date: 25/06/2025



**For SRB & Associates
Chartered Accountants
Firm Registration No: 31009E**


**Sunil Shah
Partner**

**M. No. 052841
UDIN:25052841BMFYBN9788**



Annexure 'A' to the Independent Auditor's report on the financial statements of "GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED" for the year ended 31st March 2025.

(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) The Company doesn't have any immovable properties during the reporting period. Hence, this clause is not commented upon.
- (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 Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- (ii) (a) The Company is a Non-Banking Financial Company (NBFC) engaged in Loan 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 any working capital limits, accordingly provision of this clause of the order are not applicable to the Company.
- (iii) (a) The Company is a Non-Banking Financial Company (NBFC-MFI) engaged in Loan 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) In respect of the [aforesaid] loans/ advances in nature of loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a non-banking financial company (NBFC-MFI) engaged in the business of lending [to small individual borrowers], the borrower wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company's business. Further, except for the instances where there are delays or defaults in repayment of principal and/ or interest and in respect of which the Company has recognized necessary provisions in accordance with the principles of Accounting Standards (AS) and the guidelines issued by the Reserve Bank of India ("RBI") for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 21 to the financial statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, In respect of the loans/ advances in nature of loans, the total amount overdue for more than ninety days as at March 31, 2025 is INR 100.43 lakhs against 1008 number of accounts. In such instances, in our opinion, based on information and explanations provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon.
- (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) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year. Therefore, the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable to the Company.
- (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) In respect of statutory dues, according to information and explanations given to us:
- (a) The Company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues, as applicable to the Company, with the appropriate authorities.



- (b) There are no statutory dues, as referred to in sub-clause (a), as applicable to the Company, which have not been deposited with the appropriate authorities on account of any dispute.
- (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 raised Rs.100.00 lacs (Last Year Rs.200.00 Lacs) through preferential allotment by issue of Optionally Convertible Preference Shares to one Investor. Based on information we report that the issue of same is in accordance with section 42 and section 62 of the Companies Act, 2013 and the funds raised, have been used for the purposes they were raised.
- (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 sub-section (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 and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements 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- B-05.03123.
- (b) The Company has obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 vide CoR No. B-05.03123 and carrying on Non-Banking Financial Activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India.
- (c) Based on our audit and according to the information and explanations given to us, 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) The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company. Hence, the clause (xx) of paragraph 3 of the Order is not applicable to the Company.
- (xxi) The company is not required to prepare the consolidated financial statement; the reporting under clause 3(xxi) is not applicable.

Place: Kolkata
Date: 25/06/2025



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

**Sunil Shah
Partner
M. No. 052841
UDIN: 25052841BMFYBN9788**



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in paragraph 2(A)(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 "GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED".

We have audited the internal financial controls over financial reporting of "**GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED**" as of March 31, 2025 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 31,2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



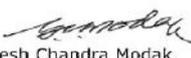

**Sunil Shah
Partner**

**M. No. 052841
UDIN: 25052841BMFYBN9788**

Place: Kolkata
Date: 25/06/2025



ANNUAL REPORT 2025

GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED			
CIN:U51434WB1993PTC058849			
		₹	₹
BALANCE SHEET AS AT	Note	31ST MARCH, 2025	31ST MARCH, 2024
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	12,13,41,350	11,13,41,350
Reserves & Surplus	4	8,72,37,944	8,66,07,745
		20,85,79,294	19,79,49,095
NON-CURRENT LIABILITIES			
Long Term Borrowings	5	11,25,24,534	16,23,98,699
Deferred Tax Liability (Net)		11,66,949	10,44,168
Long term provisions	6	29,61,788	13,96,065
		11,66,53,271	16,48,38,932
CURRENT LIABILITIES			
Short Term Borrowings	7	19,89,95,619	28,38,17,278
Trade Payables	8	1,58,84,350	1,12,17,348
Other Liabilities	9	49,81,799	56,68,041
Short term provisions	6	96,88,672	52,13,841
		22,95,50,440	30,59,16,509
TOTAL		55,47,83,004	66,87,04,535
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment and Intangible Assets	10	71,72,817	66,49,101
-Property, plant and equipment		29,092	72,729
-Intangible Assets			
Long Term Loans and Advances	11	22,72,38,110	31,88,73,107
		23,44,40,019	32,55,94,937
CURRENT ASSETS			
Cash and Cash Equivalents	12	3,73,11,085	5,20,71,838
Short term loans and advances	13	22,26,41,952	25,96,63,495
Other current assets	14	6,03,89,949	3,13,74,265
		32,03,42,986	34,31,09,598
TOTAL		55,47,83,004	66,87,04,535
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. 318009E		For and on behalf of the Board of Directors	
 Sunil Shah Partner M. No.052841 UDIN: 25052841BMFYBN9788		 Ganesh Chandra Modak Managing Director DIN: 02805427	 Sukriti Mukhopadhyay Director DIN: 06706862
Date: 25-06-2025 Place: Kolkata			



ANNUAL REPORT 2025

GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED			
CIN:U51434WB1993PTC058849			
		₹	₹
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED		31ST MARCH, 2025	31ST MARCH, 2024
	Note		
Revenue from Operations	15	10,14,51,660	9,82,25,646
Other Income	16	8,39,88,801	5,51,90,986
Total Income		18,54,40,461	15,34,16,632
EXPENSES			
Finance Cost	17	5,50,97,911	5,88,15,803
Employee Benefits Expenses	18	7,99,53,110	4,61,76,536
Administrative Expenses	19	3,09,64,129	2,52,05,953
Depreciation		33,63,775	22,71,017
Provisions and write offs	20	1,18,49,105	(13,53,804)
Total Expenses		18,12,28,030	13,11,15,505
Profit before Tax		42,12,430	2,23,01,127
Tax Expenses:			
(1) Current Tax		10,57,807	36,79,954
(2) Deferred Tax (Assets)/Liabilities		1,22,781	(8,77,129)
(3) Tax of Earlier Years			-
Total Tax Expenses		11,80,588	28,02,825
Profit for the Year		30,31,843	1,94,98,302
Earning Per Equity Share			
(1) Basic		0.33	2.13
(2) Diluted		0.26	2.11

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:25052841BMFYBN9788
Date: 25-06-2025
Place:Kolkata

For and on behalf of the Board of Directors


Ganesh Chandra Modak
Managing Director
DIN: 02805427


Sukriti Mukhopadhyay
Director
DIN: 06706862



ANNUAL REPORT 2025

GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED		
CIN:U51434WB1993PTC058849		
CASH FLOW STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025		
Particulars	2024-2025	2023-2024
	₹	₹
Cash Flow From Operating Activities :		
Profit Before Tax and extraordinary items	42,12,430	2,23,01,127
Adjustments for :		
Provisions for loan loss	59,90,553	(13,53,804)
Depreciation	33,63,775	22,71,017
Operating Profit Before Working Capital Changes	1,35,66,759	2,32,18,340
(Increase)/Decrease in Micro Finance Loans	12,67,56,012	6,55,15,559
(Increase)/Decrease in Other Loans	(1,19,66,987)	(24,81,339)
(Increase)/Decrease in Other Current Assets	(2,90,15,683)	(21,99,639)
(Increase)/Decrease in Non Current Assets	88,64,619	(1,36,01,948)
Increase/(Decrease) in Trade Payables & Liabilities	39,80,760	38,20,547
Income Tax	16,12,946	(6,03,290)
Adjustment of Bad debts and Provisions	-	10,05,039
Net Cash Provided By/(Used In) Operating Activities (A)	11,37,98,425	7,46,73,269
Cash Flow From Investing Activities		
Purchases of Fixed Assets	38,63,354	44,84,468
Net Cash Provided By/(Used In) Investing Activities (B)	38,63,354	44,84,468
Cash Flow From Financing Activities :		
Increase/(decrease) in Borrowings	(13,46,95,824)	(5,60,18,977)
Proceeds From Issuance of Share Capital	1,00,00,000	2,00,00,000
Share Premium	-	-
Net Cash Provided By/(Used In) Financing Activities (C)	(12,46,95,824)	(3,60,18,977)
Net Increase In Cash And Cash Equivalents (A-B+C)	(1,47,60,753)	3,41,69,824
Cash And Cash Equivalents At The Begining Of The Year	5,20,71,838	1,79,02,014
Cash And Cash Equivalents At The End of The Year	3,73,11,085	5,20,71,838
Cash And Cash Equivalents Comprises of :		
1. Cash In Hand	1,25,16,664	1,16,84,168
2. Balances With Scheduled Banks	2,47,06,084	2,38,84,506
2. Fixed Deposits	88,337	1,65,03,164
	3,73,11,085	5,20,71,838

As per our report of even date annexed herewith

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

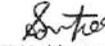


Sunil Shah
(Partner)
M. No.052841
UDIN: 25052841BMFYBN9788



For and on behalf of the Board of Directors


Ganesh Chandra Modak – Managing Director
DIN: 02805427


Sukriti Mukhopadhyay
Director
DIN: 06706862

Date: 25-06-2025
Place: Kolkata



GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS													
Note-1	<p>NATURE OF OPERATION: Grameen Shakti Microfinance Services Pvt. Ltd. here in after referred as "the company" is engaged in the activities of providing Micro Finance Activities.</p> <p>Since 1st March 2016 the company is engaged in Micro Finance lending activities for providing financial services to the poor women in the rural and urban areas of India. The company provides small value collateral free loans for income generating activities to poor women 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.</p> <p>The Company has been reclassified as Non-Banking Financial Company-Micro Finance Institutions (NBFC-MFI) by the Reserve Bank of India since 12th September, 2017.</p> <p>All financial transactions are conducted in group meetings organised near the habitats of these women. The operations, in the initial stages of group formations, involves efforts on development training on financial discipline, and later constant monitoring through meetings and providing financial and support services at the doorstep of the borrowers to ensure high rate of recovery.</p>												
Note-2	<p>SIGNIFICANT ACCOUNTING POLICIES:</p> <p>2.01 Basis of Preparation of Financial Statements</p> <p>The financial statements of the Company have been prepared in accordance with the generally accepted accounting principle in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read with paragraph 7 of the Companies (Accounts) Rule 2014 and the provisions of the Reserve Bank of India (RBI) as applicable to a Non Banking Financial Company. The Financial Statements are prepared under historical cost convention, on accrual basis except interest/discount on a loan which have been classified as Non Performing Assets and is accounted for on cash basis. The accounting policies applied by the company are consistent with those applied in the previous year.</p> <p>2.02 Use of Estimates</p> <p>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.</p> <p>2.03 Property, Plant & Equipments</p> <p>Property, plant and equipment 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.</p> <p>Depreciation .</p> <p>Depreciation on Property, plant and equipment has been provided on the straight-line method over the useful lives of assets estimated by the Management, which is consistent with the useful lives prescribed under Part 'C' of Schedule II of Companies Act, 2013. Intangible assets are amortised over their estimated useful lives on a straight-line basis. The management estimates the useful lives of the Fixed assets as follows.</p> <table border="1"> <thead> <tr> <th>Classes of Assets</th> <th>Useful Lives</th> </tr> </thead> <tbody> <tr> <td>Office Equipment</td> <td>5 Years</td> </tr> <tr> <td>Computer</td> <td>3 Years</td> </tr> <tr> <td>Mobile Phone</td> <td>3 Years</td> </tr> <tr> <td>Car</td> <td>8 Years</td> </tr> <tr> <td>Furniture and Fixtures</td> <td>10 Years</td> </tr> </tbody> </table> <p>2.04 Intangible Assets acquired separately are measured on initial recognition at cost. Following recognition, intangible assets are carried at cost less accumulated amortisation.</p> <p>2.05 Borrowing Cost</p> <p>Interest on borrowing is recognised on time proportion basis taking into account the amount outstanding and the rate applicable on the borrowing.</p>	Classes of Assets	Useful Lives	Office Equipment	5 Years	Computer	3 Years	Mobile Phone	3 Years	Car	8 Years	Furniture and Fixtures	10 Years
Classes of Assets	Useful Lives												
Office Equipment	5 Years												
Computer	3 Years												
Mobile Phone	3 Years												
Car	8 Years												
Furniture and Fixtures	10 Years												



Audited Financial Statements as on 31.03.2025



GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

2.06 Revenue Recognition

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

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

2.07 Retirement and other Employee Benefits

The company has estimated its liability towards Employees Gratuity based on an actuarial valuation in the current Financial Year.

2.08 Credit Rating

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

2.09 Taxation

(i) Tax Expenses comprise of Current and Deferred Tax. Current Income Tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax Act, 1951. Deferred Income Tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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

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

2.10 Classification of Portfolio Loans

Loans are classified as follows

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

2.11 Provision for loan losses

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

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

Asset Classification	Arrear Year	As Per Reserve Bank of India Guidelines	Estimated Provision adopted in F.Y.2024-25	Estimated Provision adopted in F.Y.2023-24
Current Assets	-	0.40%	0.40%	0.40%
Standard Assets	Upto 90 days	0.40% to 1%	0.40%	0.40%
Sub Standard Assets	From 91 to 179 days	50%	50%	50%
Doubtful Assets	180 days & More	100%	100%	100%

The Company has followed Provisioning Norms for making provision for loan losses as mentioned in RBI Notification no. DNBS (PD)CC.No.293/03.10.38/2011-12 dated July 02, 2012. Provision for Loss on Micro Credit Advance has been made at the higher of a) 1% of the outstanding loan portfolio or b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.



Audited Financial Statements as on 31.03.2025



GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

2.12 Loan write-off policy

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

Borrower, who have migrated to other regions of the country owing to loss of livelihood, natural calamities such as floods, etc, loss of income generating activities due to prolonged lock down or any other condition whatsoever and are incapable of making any repayment or disappearing from the place of residence leading to the accounts being treated as non-recoverable, has been written off in this financial year.

2.13 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the Year attributable to equity share holders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the Year. 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 Year.

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

2.14 Provisions and Write-offs

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

2.15 Cash and Cash Equivalents

Cash and Cash equivalents comprise of cash in hand and unrestricted Cash at Bank.

2.16 Contingent Liability and Contingent Asset

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025:

Note-3:

Particulars	31 ST MARCH, 2025	31ST MARCH, 2024
AUTHORISED SHARE CAPITAL		
1,30,00,000 (P.Y.:130,00,000) Equity shares of ₹ 10/- each	13,00,00,000	13,00,00,000
50,00,000 (P.Y.: 50,00,000) Preference shares of ₹ 10/- each	5,00,00,000	5,00,00,000
	18,00,00,000	18,00,00,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
91,34,135 no (P.Y. 91,34,135) paid up Equity shares of ₹10/- each	9,13,41,350	9,13,41,350
30,00,000 no (P.Y. Nil) 9% Optionally Convertible Preference Shares	3,00,00,000	2,00,00,000
	12,13,41,350	11,13,41,350



Audited Financial Statements as on 31.03.2025



ANNUAL REPORT 2025

GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

a 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. Dividend on such shares is payable in proportion to the paid-up amount. Dividend (if any) recommended by board of directors (other than interim dividend) is subject to approval of the shareholders in the ensuing Annual General Meeting. 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.

b Terms/Rights attached to Preference Shares: Optionally Convertible Preference Shares having face value of Rs.10/- per share may be convertible to into 1 (one) equity shares after 5 years. The Preference Shares carries a dividend of 9.00% per annum on face value.

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

Name of the Shareholder	As on 31/03/2025		As on 31/03/2024		% of change in Holding
	No. of shares held	% of Holding	No. of shares held	% of Holding	
Genesh Chandra Modak	28,36,220	31.05%	26,11,080	28.59%	2.46%
Manasarovar Daltrade Pvt Ltd.	16,71,350	18.30%	16,71,350	18.30%	0.00%
Initiator Dealcom Pvt Ltd.	16,69,250	18.27%	16,69,250	18.27%	0.00%
Jeebika Business Promotional Initiative	15,79,975	17.30%	15,79,975	17.30%	0.00%
Sundarl Modak	9,66,005	10.58%	8,90,955	9.75%	0.82%

d Details of Optionally Convertible Preference Shares held by shareholders holding more than 5% of the aggregate shares of the company:

Name of the Shareholder	As on 31/03/2025		As on 31/03/2024	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Small Industries Development Bank of India	30,00,000	100.00%	20,00,000	100.00%

e The reconciliation of number of Equity Shares is set out below

Particulars	31 ST	31ST
	MARCH, 2025	MARCH, 2024
Number of Shares at the beginning	91,34,135	91,34,135
Add: Issue of Equity Shares during the Year	-	-
Number of shares at the end	91,34,135	91,34,135

f The reconciliation of number of Optionally Convertible Preference Shares is set out below

Particulars	31 ST	31ST
	MARCH, 2025	MARCH, 2024
Number of Shares at the beginning	20,00,000	-
Add: Issue of Equity Shares during the Year	10,00,000	20,00,000
Number of shares at the end	30,00,000	20,00,000

Note-4 RESERVES & SURPLUS

Particulars	31 ST	31ST
	MARCH, 2025	MARCH, 2024
A. Securities Premium		
Opening Balance	20,73,193	20,73,193
Received During the Year	-	-
	20,73,193	20,73,193
B. Statutory Reserve		
Opening Balance	2,24,37,752	1,85,38,092
Add: Transfer from Surplus	6,06,369	38,99,660
	2,30,44,121	2,24,37,752
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.		
C. Surplus in Profit and Loss Account.		
Opening Balance	6,20,96,800	4,66,06,651
Add: Profit for the Year	30,31,843	1,94,98,302
Amount available for appropriation	6,51,28,643	6,61,04,953
Appropriation:		
Transfer to Statutory Reserve	6,06,369	38,99,660
Dividend against OCPS	24,01,644	1,08,493
Surplus - Closing Balance	6,21,20,630	6,20,96,800
TOTAL (A+B+C)	8,72,37,944	8,66,07,745



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Note-5 Long Term Borrowings				
Particulars	31 ST		31ST	
	MARCH, 2025		MARCH, 2024	
	₹		₹	
Punjab National Bank		-		1,66,66,670
Canara Bank		-		83,33,330
Union Bank of India		1,42,12,131		3,09,39,397
State Bank of India		10,68,18,253		20,56,06,105
Bandhan Bank Ltd.		1,56,52,128		3,00,00,000
Friends of WWB (Sanitation)		2,04,54,555		3,69,56,523
Ananya Finance for Inclusive Growth Pvt Ltd.		-		47,91,683
Grow Money Capital Pvt. Ltd.		-		95,18,571
Electronica Finance Ltd.		-		1,03,78,561
Samunnati Financial and Intermediation Services Pvt Ltd		66,13,078		-
Kashi Vishwanatha Vidya Samsthe		3,44,71,390		2,07,71,077
Union Bank of India (Car Loan)		2,88,271		4,35,414
Punjab National Bank (Car Loan)		5,02,545		5,87,940
Usha Financial Services Ltd.		1,58,55,686		-
Cholamandalam Investment and Finance Company Ltd.		25,84,045		2,42,99,447
Nabasamuddhi Finance Ltd		2,21,58,615		1,66,31,878
Ramsons Project Limited		-		50,00,000
Shriram Finance Limited		58,99,232		1,00,00,000
Finster Capital Ltd.		1,09,55,923		1,52,98,381
Avanti Finance Private Limited		48,00,000		-
Manaveeya Development & Finance Pvt. Ltd.		3,33,28,000		-
Muthoot Microfin Ltd		50,00,000		-
RAR Fincare Ltd		1,19,26,301		-
(Secured against hypothecation of book debts and personal guarantee of Managing Director)				
Sub Total		31,15,20,153		44,62,15,977
Less: Current Maturities of long term Borrowings (Please refer note no-6)		19,89,95,619		28,38,17,278
Total		11,25,24,534		16,23,98,699

Note-6 Provisions				
Particulars	Long Term		Short Term	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
Provision for Portfolio Loan Assets:				
Contingent Provision against Standrd Assets	7,03,140	10,41,639	7,72,788	9,64,412
Non Performing Loans	20,08,648	1,54,426	59,00,551	30,30,235
Prudential Provision for BC Portfolio	-	-	30,15,333	12,19,196
Total	27,11,788	11,96,065	96,88,672	52,13,841
Others				
Provision for Gratuity	2,50,000	2,00,000	-	-
Provision for Taxation (Net off with Advance Tax)	-	-	-	-
Total	29,61,788	13,96,065	96,88,672	52,13,841

Note-7 Short Term Borrowings				
Particulars	31 ST		31ST	
	MARCH, 2025		MARCH, 2024	
	₹		₹	
Kashi Vishwanatha Vidya Samsthe		-		-
Current maturities of Long term borrowings		19,89,95,619		28,38,17,278
(Secured against hypothecation of book debts and personal guarantee of Managing Director)				
Total		19,89,95,619		28,38,17,278

Note-8 Trade payables				
Particulars	31 ST		31ST	
	MARCH, 2025		MARCH, 2024	
	₹		₹	
Liability for Expenses		38,39,098		46,80,352
Payable to BC & DA		1,17,26,987		60,18,556
Partners		3,18,265		5,18,400
Insurance Premium		-		-
Total		1,58,84,350		1,12,17,348



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Note-9: Other Current Liabilities						
Particulars		31 ST MARCH, 2025	31ST MARCH, 2024			
		₹	₹			
Statutory Liabilities		5,68,894	30,51,986			
Dividend Payable		24,01,644	1,08,493			
Interest Accrued but Not due		20,11,261	25,07,562			
Total		49,81,799	56,68,041			

Note-10: Property, plant and equipment and Intangible Assets						
Property, plant and equipment						
Cost or Valuation	Office Equipments	Motor car	Computer & Accessories	Furniture & Fixtures and Equipments	Mobile Phone	Figures in ₹
						Total
As at 31st March 2024	23,32,829	16,18,707	56,87,671	18,37,396	18,87,058	1,33,63,661
Additions	8,09,949	-	21,04,584	9,48,821	-	38,63,354
Disposals	-	-	-	-	19,500	19,500
As at 31.03.2025	31,42,778	16,18,707	77,92,255	27,86,217	18,67,558	1,72,07,515
Depreciation						
As at 31st March, 2024	9,13,684	6,06,677	36,08,444	4,45,817	11,39,938	67,14,560
Charge For the Year	4,83,463	1,25,770	21,82,097	2,20,186	3,08,622	33,20,138
Disposals	-	-	-	-	-	-
As at 31ST MAR, 2025	13,97,147	7,32,447	57,90,541	6,66,003	14,48,560	1,00,34,698
Net Block as on 31 st Mar, 2025	17,45,631	8,86,260	20,01,714	21,20,214	4,18,998	71,72,817
Net Block as on 31st March, 2024	14,19,148	10,12,030	20,79,227	13,91,579	7,47,120	66,49,101
Intangible:						
Cost or Valuation		Software	Total			
As at 1st April 2024		72,729	72,729			
Additions		-	-			
Less amortisation		43,637	43,637			
As on Mar 31, 2025		29,092	29,092			

Note-11: Long Term Loans and Advances		
Particulars	31 ST MARCH, 2025	31ST MARCH, 2024
	₹	₹
Security Deposit with Lenders	4,94,44,418	5,83,09,037
Micro Finance Loan (Unsecured, Considered Good)	17,57,85,044	26,04,09,644
Micro Finance Loan (Unsecured, considered doubtful)	20,08,648	1,54,426
Total	22,72,38,110	31,88,73,107

Note-12: Cash and cash equivalents.		
Particulars	31 ST MARCH, 2025	31ST MARCH, 2024
	₹	₹
(a) Balances with banks	2,47,06,084	2,38,84,506
(b) Cash on hand	1,25,16,664	1,16,84,168
(c) Fixed Deposit with Banks	88,337	1,65,03,164
Total	3,73,11,085	5,20,71,838

Note-13: Short Term Loans and Advances:		
Particulars	31 ST MARCH, 2025	31ST MARCH, 2024
	₹	₹
(i) Micro Finance Loans		
Assets under Management (AUM)	1,38,81,27,606	1,21,49,40,735
Less: BC Portfolio	97,91,02,361	70,91,59,478
Own Portfolio	37,90,25,245	50,57,81,257
Less: Non Current Portfolio (Kindly refer note-11)	17,77,93,692	26,05,64,070
	20,12,31,553	24,52,17,187
Micro Finance Loan (Unsecured, Good)	19,85,71,128	24,11,02,881
Micro Finance Loan (Unsecured, considered doubtful)	26,60,425	41,14,306
(ii) Loans and Advances to staffs	1,69,60,263	49,93,276
(iii) Advance Income Tax	28,49,980	59,96,770
(iv) TDS Receivable	16,00,156	34,56,262
Total (i+ii+iii)	22,26,41,952	25,96,63,495



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Note-14: Other current assets			
Particulars	31 ST	31ST	
	MARCH, 2025	MARCH, 2024	₹
Margin Money & FLDG	2,92,70,414	1,42,15,588	
Security Deposits	67,500	67,500	
Claim receivable from Insurance Companies	7,34,629	7,34,629	
Receivable from funding Agencies	96,35,745	4,47,339	
Receivable from BC Partners	1,14,58,256	77,23,038	
Interest accrued on Loan Portfolio	92,23,405	81,86,171	
Total	6,03,89,949	3,13,74,265	
Note-15: Revenue from operations			
Particulars	31 ST	31ST	
	MARCH, 2025	MARCH, 2024	₹
Interest on Loan: (Refer Note (i) below)	9,88,07,032	9,45,64,045	
Loan Processing Fees	26,44,628	36,61,601	
Total	10,14,51,660	9,82,25,646	
Note-15: Revenue from operations (continued)			
Particulars	31 ST	31ST	
	MARCH, 2025	MARCH, 2024	₹
1) Interest on Loan comprises:			
a) Interest on Micro Finance Loan	9,88,07,032	9,45,64,045	
Total	9,88,07,032	9,45,64,045	
The company offers small loan products to its borrowers for income generation, which are repayable in equal weekly/ fortnightly/ Monthly instalments. Loan Cycle varies from 12 Months to 24 Months.			
Note-16: Other Income			
Particulars	31 ST	31ST	
	MARCH, 2025	MARCH, 2024	₹
Interest on Security Deposit	39,27,689	38,56,422	
Interest on Term Deposit	1,75,984	2,35,395	
Commission received	7,95,75,126	5,04,72,321	
Bad Debt Recovered	2,14,227	3,02,028	
Miscellaneous Income	95,275	3,24,820	
Total	8,39,88,801	5,51,90,986	
Note-17: Finance Cost			
Particulars	31 ST	31ST	
	MARCH, 2025	MARCH, 2024	₹
Interest on Borrowings	5,00,81,673	5,53,44,230	
Documentation Charges	4,45,552	2,49,998	
Loan Processing charges	45,70,686	32,21,575	
Total	5,50,97,911	5,88,15,803	
Note-18: Employee benefit expenses			
Particulars	31 ST	31ST	
	MARCH, 2025	MARCH, 2024	₹
Salaries, Wages & Bonus etc.	7,29,17,803	3,99,07,408	
Remuneration to Managing Director	45,00,000	40,69,547	
Remuneration to other Director	21,88,800	17,00,000	
Gratuity	2,61,274	2,38,869	
Staff Welfare	85,233	2,60,712	
Total	7,99,53,110	4,61,76,536	
Salaries and wages include: 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.			



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Note-19: Administrative expenses		31 ST MARCH, 2025	31ST MARCH, 2024
Particulars		₹	₹
Audit Fees		1,36,260	1,25,000
Printing & Stationery		6,79,932	7,07,119
Rent		78,18,708	64,23,098
Advertisement & Publicity		92,373	1,000
Travelling and Conveyance		91,60,848	68,88,221
Communication Expenses		13,03,646	10,70,480
Miscellaneous Expenses		298	4,911
Professional Fees		33,59,768	7,47,933
Insurance Premium		12,95,973	6,05,756
Rates & Taxes		64,051	9,56,845
Electricity Charges		5,69,426	3,87,305
Client Welfare		8,09,351	4,14,147
Bank Charges		1,65,013	1,83,597
Members welfare expenses		2,53,739	48,520
Membership fee		6,22,344	6,48,594
Grant & Donation		7,200	16,41,498
Meeting Exp.		3,37,855	13,34,517
Sitting Fees to Directors		2,36,100	3,66,000
Office Expenses		13,35,343	6,51,787
Rating & Grading Expenses		4,79,100	4,30,032
RFI Report Charges		79,997	33,743
Legal Expenses		35,555	27,970
Software Maintenance fees		15,15,199	7,82,617
Filing Fees		81,823	46,740
Office Repairs & Maintenance		5,21,367	6,79,523
Total		3,09,64,129	2,52,05,953

Note-20: Provisions for Loan Loss		31 ST MARCH, 2025	31ST MARCH, 2024
Particulars		₹	₹
Provision for Loan Loss on Standard Asset		(5,30,122)	(2,35,433)
Provision for Loan Loss on Doubtful and Loss Assets		47,24,538	(22,78,381)
Additional Provision: on Re-structured Loan		-	-
Additional Provision: on BC Portfolio		17,96,137	7,94,196
Total Provision for Loan Loss		59,90,553	(17,19,617)
Bad Debt Written off		58,58,552	3,65,813
Total		1,18,49,105	(13,53,804)

Note-21: Classification of Portfolio Loan on age basis					
Particulars	Estimated Provisions Adopted by the Company	As at 31 ST MAR, 2025		As at 31ST MARCH, 2024	
		Principal	Provision Amount	Principal	Provision Amount
Current	0.40% to 1%	31,81,64,521	12,72,658	46,20,66,634	18,48,267
Upto 90 days	0.40% to 1%	5,08,17,486	2,03,270	3,94,45,891	1,57,784
91 to 179 days	50.00%	42,68,079	21,34,040	21,68,143	10,84,072
180 days or more	100.00%	57,75,159	57,75,159	21,00,589	21,00,589
Total		37,90,25,245	93,85,127	50,57,81,257	51,90,711
1% Provision on outstanding loan Portfolio		37,90,25,245	37,90,252	50,57,81,257	50,57,813
*Subject to 1% Whichever is Higher			93,85,127		51,90,711

According to RBI Notification no. ENBS (PD)CC.No.293/03.10.38/2011-12 dated July 02, 2012, Provision for Loss on Micro Credit Advance has been made at 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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Note-22: 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) Directors and Key Management Personnel				
Ganesh Chandra Modak	Managing Director			
Sundari Modak	Director			
Sukriti Mukhopadhyay	Director			
Gautam Sen	Independent Director			
Pranab Kumar Saha	Independent Director			
b) Related Party				
Deepayan Modak	Relative of Director			
Society For Model Gram Bikash Kendra	Managing Director is Secretary of the Society			
c) Nature of Transactions				
Particulars	31.03.2025	31.03.2025	31.03.2024	31.03.2024
	Transaction Value	Outstanding	Transaction Value	Outstanding
i) Ganesh Chandra Modak				
Remuneration	45,00,000	3,75,000	40,69,547	3,00,000
ii) Sukriti Mukhopadhyay				
Remuneration	21,85,800	1,82,400	17,00,000	1,20,000
iii) Sundari Modak				
Rent Paid	24,00,000	2,00,000	14,40,000	1,20,000
iv) Deepayan Modak				
Rent Paid	4,20,000	35,000	4,20,000	35,000

Note-23: Earning Per Share

Particulars	31ST MARCH 2025	31ST MARCH 2024
	₹	₹
Net Profit after Tax	30,31,843	1,04,98,302
Weighted Average Number of Shares (Basic)	91,34,135	91,34,135
Weighted Average Number of Shares (Diluted)	1,18,02,628	92,54,883
Earning Per Share (Basic)	0.33	2.13
Earning Per Share (Diluted)	0.26	2.11
Nominal Value Per Share	Rs.10/-	Rs.10/-

Note-24: 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 2025	31ST MARCH 2024
CRAR	48.27%	37.50%
CRAR- Tier I Capital	41.33%	33.33%
CRAR-Tier II Capital	6.94%	4.17%

Note-25: Disclosure details as required in terms of Paragraph 13 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential

LIABILITIES SIDE		Amount Outstanding	Amount Overdue
i Loans and advances availed by the NBFCs inclusive of interest accrued			
a. Debentures:			
	Secured	Nil	Nil
	Unsecured	Nil	Nil
(other than falling within the meaning of public deposits)			
b. Deferred Credits		Nil	Nil
c. Term Loans		30,59,29,337	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		30,59,29,337	Nil



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2 Break-up of (1)(f) above (Outstanding public deposits Inclusive of interest accrued thereon but not paid) :			Amount Outstanding	Amount Overdue
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)		37,90,25,245	37,90,25,245
4 Break-up of Leased Assets and stock on hire and hypothecation Loans counting towards EL/HP activities :				
I.	Lease assets including lease rentals under Sundry Debtors		Nil	Nil
a.	Financial lease		Nil	Nil
b.	Operating lease		Nil	Nil
II.	Stock on hire including hire charges under Sundry Debtors		Nil	Nil
a.	Assets on hire		Nil	Nil
b.	Repossessed Assets		Nil	Nil
III.	Hypothecation Loans counting towards EL/HP activities		Nil	Nil
a.	Loans where assets have been repossessed		Nil	Nil
b.	Loans other than (a) above		Nil	Nil
	Total		37,90,25,245	37,90,25,245
5 Break up of Investments :				
Current Investments				
1 Quoted Shares				
I.	Shares : (a) Equity		Nil	Nil
	(b) Preference		Nil	Nil
II.	Debentures and Bonds		Nil	Nil
III.	Units of mutual funds		Nil	Nil
IV.	Government Securities		Nil	Nil
V.	Others (Please Specify)		Nil	Nil
2 Un-Quoted Shares				
I.	Shares : (a) Equity		Nil	Nil
	(b) Preference		Nil	Nil
II.	Debentures and Bonds		Nil	Nil
III.	Units of mutual funds		Nil	Nil
IV.	Government Securities		Nil	Nil
V.	Others (Please Specify)		Nil	Nil
Long Term Investments :				
1 Quoted Shares				
I.	Shares : (a) Equity		Nil	Nil
	(b) Preference		Nil	Nil
II.	Debentures and Bonds		Nil	Nil
III.	Units of mutual funds		Nil	Nil
IV.	Government Securities		Nil	Nil
V.	Others (Please Specify)		Nil	Nil
2 Un-Quoted Shares				
I.	Shares : (a) Equity		Nil	Nil
	(b) Preference		Nil	Nil
II.	Debentures and bonds		Nil	Nil
III.	Units of mutual funds		Nil	Nil
IV.	Government Securities		Nil	Nil
V.	Others (Please Specify)		Nil	Nil
6 Borrower group-wise classification of all leased assets, stock on hire and Loans and advances :				
Category	Amount net of provisions Total			
	Secured	Unsecured	(in Rs. in lakhs)	
1. Related Parties **				
a. Subsidiaries	Nil	Nil	Nil	
b. Companies in the same group	Nil	Nil	Nil	
c. Other related parties	Nil	Nil	Nil	
2. Other than related parties	Nil	37,90,25,245	37,90,25,245	



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Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and un quoted).		
Particulars	Market value/Break up or fair value or NAV	Book Value (Net of provisions)
Category		
I 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		
Total	Nil	Nil
**As per Accounting Standard of ICAI		
8 Other Information:		
Particulars		
I Gross Non-performing Assets		
a.Related parties	Nil	Nil
b.Other than related parties	1,00,43,238	79,09,199
II Net Non-performing Assets		
a.Related parties	Nil	Nil
b.Other than related parties	21,24,010	-
III Assets acquired in satisfaction of debt		

Note-26 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	48.27%				
2.Investment	Nil				
3.Derivatives					
i) Forward Rate Agreement/ Interest Rate Swap					
ii) Exchange Traded Interest Rate (ER) Derivatives					
iii) Discloser ob Risk Exposure in Derivatives					
iv) Forward rate agreement / Interest rate swap	The company has not entered into any derivative transactions in the current and previous years.				
4. Disclosure relating to Securitisation					
i) Information duly certified by the SPV'S Auditors obtained by the originating NBFC from the SPV.					
ii) Details of financial assets sold to securitisation/Reconstruction company for asset reconstruction.	The Company has not assigned/secured any loan portfolio.				
iii) Details of Assignment transactions undertaken by NBFCs					
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 2025.					
	Figures in Rs.				
Particulars	up to 30 days	over one month to 2 months	over 2 months to 3 months	over 3 Months upto 6 months	over 6 Months upto 1 year
Deposits	2,12,04,014	1,55,26,802	19,78,973	1,10,99,185	2,16,56,854
Advances	1,99,69,229	1,89,29,495	1,89,87,827	5,40,30,051	9,08,09,254
Investments	-	-	-	-	-
Borrowings	1,84,84,670	1,85,64,840	1,02,24,071	5,32,84,740	9,04,36,598
Particulars	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total	
Deposits	4,26,64,188	-	-	11,60,25,917	
Advances	17,77,93,602	-	-	37,90,25,245	
Investments	-	-	-	-	
Borrowings	10,69,33,719	-	-	30,69,29,337	
Note: The Company does not have any foreign currency Assets or Liabilities.					
7.Exposure					
i) Exposure to Real estate sector					The Company has no exposure to real estate and Capital Market directly or indirectly.
ii) Exposure to Capital Market					
8. Details of Financing of parent company products:					
i) Details of single borrower limit (SGL) / Group Borrower limit (GBL) exceeded by NBFC					Single borrower limit (SGL)/ Group Borrower Limit (GBL) has not exceeded by the Company. Portfolio Loan of Rs 37,90,25,245
ii) Unsecured Advances					
9.Miscellaneous					
i) Registration obtained from other financial sector regulators					Ministry of Corporate affairs



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ii) Disclosure of Penalties imposed by RBI and other regulators	No Penalties Imposed by the RBI and other regulators during the Current year and Previous Year.
iii) Related Party Transaction	Refer Note No-22.
iv) Rating assigned by credit rating agencies and migration of ratings during the year	BB+ Stable (Infomeric Ratings dated 11.11.2024)
v) Remuneration of Directors	Refer Note No-20 and 20A
vi) Net profit or loss for the period, prior period items and changes in accounting policies	Nil
vii) Revenue Recognition	Refer Note No-2.05.

10. Additional Disclosures	Refer Note No-26A
i) Provisions and contingencies	Nil
ii) Draw Down from Reserves	
iii) Concentration of Deposits, Advances, Exposures and NPAs	Not applicable as the Company is NBFC-ND-NSI.
a) Concentration of deposit (for Deposit taking NBFCs)	
b) Concentration of Advances	Refer Note No-26B.
c) Concentration of Exposure	Refer Note No- 26C
d) Concentration of NPAs	Refer Note No-26D
iv) Overseas Assets (for those Joint Ventures and Subsidiaries abroad)	The NBFC has not any overseas Assets

11. Disclosure of Complaints
The company has not received any complaint during the Year.

Note. 26A
Breakup of Provisions and contingencies shown under the head Expenditure in Profit and Loss Statement.

Particulars	31ST MARCH, 2025	31ST MARCH, 2024
	₹	₹
Provision for Income Tax	10,57,807	36,79,954
Provision for Gratuity	2,61,274	2,38,869
Provision towards NPA	79,09,199	10,84,072
Provision for Standard Assets	14,75,928	20,06,050

Note. 26B
Concentration of Advances

Particulars	31ST MARCH, 2025	31ST MARCH, 2024
	₹	₹
Total Advances to twenty Largest borrowers	11,47,699	12,41,151
Percentage of total Advances to twenty Largest borrowers to total advance of the NBFC	0.30%	0.25%

Note. 26C

Particulars	31ST MARCH, 2025	31ST MARCH, 2024
	₹	₹
Total Advances to twenty Largest borrowers	11,47,699	12,41,151
Percentage of total Advances to twenty Largest borrowers to total advance of the NBFC	0.30%	0.25%

Note. 26D

Particulars	31ST MARCH, 2025	31ST MARCH, 2024
	₹	₹
Total Exposure to top four NPA accounts	75,000	9,32,653



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Note-27 Additional disclosures required by Reserve Bank of India

(a) Exposure to real estate sector

The Company does not have any Direct or Indirect exposure to the real estate sector during the current year and previous year.

(b) Exposure to Capital Market

The Company does not have any Direct or Indirect exposure in Capital Market during the current year and previous year.

(c) Sectoral exposure (Includes on balance sheet and off-balance sheet exposure)

As as 31st March 2025

Sectors	Total Exposure	%
Agriculture and Allied Activities	95,08,66,468	70.01%
Industry	-	-
Services	-	-
Personal Loans	40,72,61,108	29.99%
Others	1,35,81,27,606	100.00%
Total		

As as 31st March 2024

Sectors	Total Exposure	%
Agriculture and Allied Activities	90,20,28,618	74.25%
Industry	-	-
Services	-	-
Personal Loans	-	-
Others	31,28,62,117	25.75%
Total	1,21,49,40,735	100.00%

(d) Intra-group exposures

The Company does not have any intra-group exposure during the current and previous year.

(e) Unhedged foreign currency exposure

The Company did not have any unhedged foreign currency exposure as on the balance sheet date and did not enter into any derivative contracts at any time during the year and none were outstanding as at 31 March 2025 and 31 March 2024.

(f) Disclosure of Complaints

Sl	Particulars	31st March 2025	31st March 2024
i)	No. of complaints pending at the beginning of the year	-	-
ii)	No. of complaints received during the year	87	54
iii)	No. of complaints recressed during the year	87	54
iv)	No. of complaints pending at the end of the year	-	-

Disclosures pursuant to disclosure guidelines of NBFC scale based regulations:

Sl	Particulars	31st March 2025	31st March 2024
i)	Details of maintainable complaints received by the NBFC from the office of Ombudsman	-	-
ii)	Number of awards unimplemented within the stipulated time	-	-
iii)	Top grounds of complaints received from customers	-	-

Note 28 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) Funds availed from Banks are utilised for the purpose they are obtained.
- ii) The Company is engaged in NBFI activities. Hence recoverability of the assets are assessed periodically. Kindly refer note 20 and 21.
- iii) **Immovable properties not held in the name of company.**
The Company does not have Immovable properties for the reporting period.
- iv) **Revaluation of Property, Plant and Equipment and intangible assets.**
The management revalues its Property, Plant and Equipment and intangible assets on periodic interval.
- v) **Loans or Advances granted to Promoters, Directors, KMPs and Related Parties**
During the period the Company has not granted any Loans or Advances to Promoters, Directors, KMPs and Related Parties.
- vi) **Relationship with struck off companies**
The Company does not have any relationship with struck off Companies.
- vii) **Pending filing of charges**
The Company does not have any pending filing of charges.
- viii) **Compliance with number of layers of investments**
The Company has complied with number of layers of investments.



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ix	Ratio Analysis	Numerator	Denominator	31st March 2025	March 31st 2024
a	Current Ratio	Total Current Assets	Total Current Liabilities	1.40	1.12
b	Debt Equity Ratio	Debt Consisting of borrowings	Total Equities	1.49	2.25
c	DSGR Ratio	PDOET	Principal + Interest to Lenders	1.97	1.71
d	Return on Equity Ratio	Profit after Tax	Average Equity Share Capital	1.49%	10.94%
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 Capital Employed	29.49%	26.81%
i	Net Profit Ratio	Profit for the Year	Revenue from operations	2.99%	19.85%
j	Return on Capital Employed	EBIT	Average Capital Employed	15.78%	21.19%
k	Return on Investment	N.A.	N.A.	N.A.	N.A.

Notes:

a. Debt Equity Ratio improved due to Increase in Fresh Capital during the Year and reduction of Borrowings.

b. DSCR Ratio has been Improved since the Company's earnings has been improved & Interest on Borrowings has been reduced.

c. Return on equity has been reduced due to decrease in profit and increase in capital for the year.

x Corporate Social Responsibility
During the period the Company was not required to expend any amount towards Corporate Social Responsibility.

xi Fair valuation of Investment property
The company has not classified any property as Investment property, hence fair valuation of Investment property by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 does not arise.

xii Details of Benami Property held
The Company does not hold any Benami Property and there were no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 and the Rules made there under, hence no disclosure is required to be given as such.

xiii Willful Defaulter
The Company has not been declared as willful defaulter as at the date of the balance sheet or on the date of approval of the financial statements, hence no disclosure is required as such.

xiv Utilization of Borrowed Funds and Share Premium
A. The Company have not advanced or loaned or invested funds (either borrowed funds or Share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the company shall, directly or indirectly lend or invest in other person(s) or entity (ies) identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) Or Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. Hence no disclosure is required as such.
B. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Parties) with the understanding (whether recorded in writing or otherwise) that the company shall, directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) Or Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

xv Details of Crypto Currency or Virtual Currency
The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year, hence disclosure requirements for the same is not applicable.

xvi Undisclosed Income
The Company does not have any undisclosed Income which was not recorded in the books of accounts and which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions. Also the Company does not have previously unrecorded income and related assets which were required to be properly recorded in the books of accounts during the year.



Audited Financial Statements as on 31.03.2025

GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED			
Note-29	Loan Portfolio managed During the Period, the Company has engaged as a business correspondent of ESAF,Avanti,CSB,SIDBI and Monexo. Details are as given below.		
	Particulars	31st March 2025	31st March 2024
		₹	₹
	Opening Balance	70,91,59,478	43,62,01,332
	Outstanding Managed Portfolio	97,91,02,361	70,91,59,478
Note-30	Income as Business Correspondent		
	Particulars	31st March 2025	31st March 2024
		₹	₹
	Commission Received from ESAF Small Finance Bank Ltd	4,13,73,281	1,58,06,245
	Commission Received from Monexo	57,44,487	1,00,86,777
	Commission Received from CSB Bank	1,84,10,766	1,52,27,488
	Commission Received from Ananya Finance	-	15,48,596
	Commission Received from Avanti Finance Pvt Ltd	1,30,01,039	8,02,815
	Commission Received from SIDBI Prayags	10,45,553	-
	Commission Received from other Partners	-	-
		7,95,75,126	5,04,72,321
Note-31	Previous Year Figures Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.		
	For SRB & Associates Chartered Accountants Firm Registration No. 310009E		For and on behalf of the Board of Directors
	Sunil Shah Partner M. No.052841 UDIN: 25052841BMFYBN9788 Date: 25-06-2025 Place:Kolkata		Ganesh Chandra Modak Sukrini Mukhopadhyay Director Director DIN: 02805427 DIN: 06706862





Health Camp at one of our Branch in East Bardhaman



RBI-DEA Workshop in progress



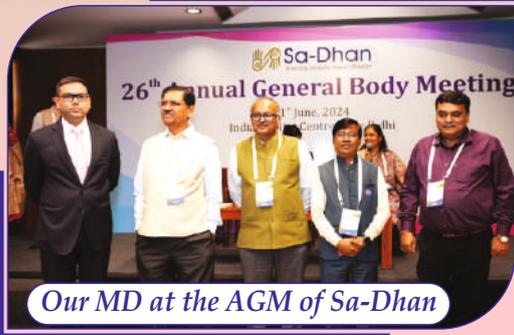
Partners' Meet in November, 2024



Staff Meeting at Bihar with MD & COO



Our Client at her own shop

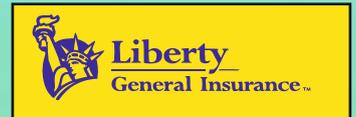


Our MD at the AGM of Sa-Dhan

FINANCIAL PARTNERS



OUR NON-FINANCIAL PARTNERS



Social Networking Sites:



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