

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF "GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED" (Formerly Known as SRIJA CHEMO PVT LTD).

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, 2021, 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, 2021, the profit and its cash flows for the year ended on that date.

Basis for Opinion:

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

Key Audit Matters:

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



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

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

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



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

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

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

Management's Responsibility for the Financial Statements:

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for



our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

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



Report on Other Legal and Regulatory Requirements

- i. As required by section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flows dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from Directors as on March 31, 2021, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B to this report;
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations as on 31st March 2021.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



Sunil Shah
(Partner)

M. No. 052841

UDIN:21052841AAAAMF1525

Place: Kolkata
Date: 23.06.2021

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

Re: "GRAMEEN SHAKTI MICROFINANCE SERVICES PVT LTD".

I. In respect of fixed assets:

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

II. In respect of Inventories:

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

III. In respect of Loan:

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

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

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

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

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



VII. In respect of Statutory dues:

- a. According to the records of the company the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, Service Tax, sales tax, custom duty, excise duty and Cess were in arrears, as at 31st March, 2021, for a period of more than six months from the date they became payable."
- c. Details of dues of sales tax, income tax, custom duty, wealth tax, excise duty and Cess which have not been deposited on account of any dispute are given below.

| Nature of the statute | Nature of dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount ₹ |
|--------------------------|----------------|-------------------------------------|------------------------------------|------------------|
| The Income Tax Act, 1961 | Income Tax | Commissioner of Income Tax (Appeal) | A.Y.2017-18 | Rs.2,80,55,990/- |

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

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

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

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

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

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



- XIII. According to the information and explanations given by the management, transactions with the related parties are in Compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- XIV. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting requirements under clause 3 (xiv) are not applicable to the company and, not commented upon.
- XV. According to the information and explanations given by the management, the company has not entered into any non-cash transaction with directors or persons connected with him.
- XVI. According to the information and explanations given to us, we report that the company has registered as required, under section 45-1A of the Reserve Bank of India Act, 1934.

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



**Sunil Shah
(Partner)**

M. No. 052841

UDIN:21052841AAAAMF1525

Place: Kolkata
Date: 23.06.2021

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

To the Members of "GRAMEEN SHAKTI MICROFINANCE SERVICES PVT LTD".

We have audited the internal financial controls over financial reporting of **"GRAMEEN SHAKTI MICROFINANCE SERVICES PVT LTD"**. as of March 31,2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



Meaning of Internal Financial controls over Financial Reporting;

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 31,2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kolkata
Date: 23.06.2021



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



Sunil Shah
(Partner)

M. No. 052841
UDIN:21052841AAAAMF1525

GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

13/2, Ashutosh Chatterjee Road, Dhakuria, Kolkata - 700 031

| | | ₹ | ₹ |
|--------------------------------|------|---------------------|------------------------|
| BALANCE SHEET AS AT | Note | 31ST MARCH, 2021 | 31ST MARCH, 2020 |
| EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS' FUNDS | | | |
| Share Capital | 3 | 8,76,25,950 | 1,64,00,190 |
| Reserves & Surplus | 4 | 3,31,62,570 | 9,79,78,538 |
| | | 12,07,88,520 | 11,43,78,728 |
| NON-CURRENT LIABILITIES | | | |
| Long Term Borrowings | 5 | 6,31,06,111 | 10,92,09,094 |
| Deferred Tax Liability (Net) | | 9,65,587 | 5,49,390 |
| | | 6,40,71,698 | 10,97,58,484 |
| CURRENT LIABILITIES | | | |
| Short Term Borrowings | 6 | 10,50,56,745 | 14,96,04,967 |
| Trade Payables | 7 | 19,91,610 | 16,97,288 |
| Other Liabilities | 8 | 18,18,21,440 | 23,69,05,620 |
| Short term provisions | 9 | 2,21,03,500 | 1,99,75,954 |
| | | 31,09,73,295 | 40,81,83,830 |
| TOTAL | | 49,58,33,513 | 63,23,21,041 |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Fixed Assets | 10 | | |
| -Tangible Assets | | 18,90,964 | 23,41,726 |
| -Intangible Assets | | 1,88,836 | 2,39,266 |
| Long Term Loans and Advances | | | |
| -Security Deposit | 11A | 2,03,44,868 | 2,85,16,674 |
| -Long Term Portfolio | 11B | 39,33,68,332 | 35,83,40,644 |
| | | 41,57,93,000 | 38,94,38,310 |
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | 12 | 34,66,976 | 23,35,463 |
| Short term loans and advances | 13 | 5,53,79,477 | 21,32,92,957 |
| Other current assets | 14 | 2,11,94,060 | 2,72,54,311 |
| | | 8,00,40,513 | 24,28,82,731 |
| TOTAL | | 49,58,33,513 | 63,23,21,041 |

Significant Accounting Policies and Notes

1 & 2

The accompanying notes are forming an integral part of these Financial Statements

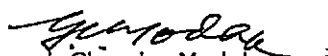
For SRB & Associates
Chartered Accountants
Firm Registration No. 310009E


Sunil Shah
(Partner)

M. No.052841
UDIN:21052841AAAAMF1525



For and on behalf of the Board of Directors


Ganesh Chandra Modak
Managing Director
DIN: 02805427


Arpita Dey
Company Secretary
M. No. ACS50531


Sukriti Mukhopadhyay
Director
DIN: 06706862

Date : 23/06/2021
Place:Kolkata

GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

13/2, Ashutosh Chatterjee Road, Dhakuria, Kolkata - 700 031

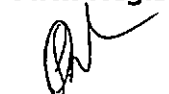
| STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED | | ₹ | ₹ |
|---|------|---------------------|---------------------|
| | | 31ST MARCH, 2021 | 31ST MARCH, 2020 |
| | Note | | |
| Revenue from Operations | 15 | 10,98,35,198 | 12,76,33,398 |
| Other Income | 16 | 31,49,246 | 20,70,541 |
| Total Revenue | | 11,29,84,444 | 12,97,03,939 |
| EXPENSES | | | |
| Finance Cost | 17 | 5,79,12,359 | 5,56,51,944 |
| Employee Benefits Expenses | 18 | 1,67,92,546 | 1,24,91,967 |
| Administrative Expenses | 19 | 1,08,51,062 | 62,20,984 |
| Depreciation | | 10,69,300 | 7,58,464 |
| Provisions and write offs | 20 | 1,93,94,807 | 21,52,215 |
| Total Expenses | | 10,60,20,074 | 7,72,75,574 |
| Profit before Tax | | 69,64,370 | 5,24,28,366 |
| Tax Expenses: | | | |
| (1) Current Tax | | 47,05,881 | 1,37,36,841 |
| (2) Deferred Tax (Assets)/Liabilities | | 4,16,197 | 4,69,108 |
| (3) Tax of Earlier Years | | | |
| Total Tax Expenses | | 51,22,078 | 1,42,05,949 |
| Profit for the Year | | 18,42,292 | 3,82,22,417 |
| Earning Per Equity Share | | | |
| (1) Basic | | 0.33 | 23.40 |
| (2) Diluted | | 0.33 | 23.40 |

Significant Accounting Policies and Notes

1 & 2

The accompanying notes are forming an integral part of these Financial Statements

Firm Registration No. 310009E



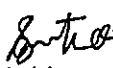
Sunil Shah
(Partner)
M. No.052841



UDIN:21052841AAAAMF1525

Date : 23/06/2021
Place:Kolkata


Ganesh Chandra Modak
Managing Director
DIN: 02805427


Sukriti Mukhopadhyay
Director
DIN: 06706862


Arpita Dey
Company Secretary
M. No. ACS50531

GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

13/2, Ashutosh Chatterjee Road, Dhakuria, Kolkata - 700 031

1 CASH FLOW STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

| Particulars | 2020-21 | 2019-20 |
|--|----------------------|----------------------|
| | ₹ | ₹ |
| Cash Flow From Operating Activities : | | |
| Profit Before Tax and extraordinary items | 69,64,370 | 5,24,28,366 |
| Adjustments for : | | |
| Provisions for loan loss | 1,17,33,506 | 21,52,215 |
| Provisions for Gratuity | - | 5,75,000 |
| Depreciation | 10,69,300 | 7,58,464 |
| Operating Profit Before Working Capital Changes | 1,97,67,176 | 5,59,14,045 |
| (Increase)/Decrease in Micro Finance Loans | 11,09,59,155 | (20,35,14,201) |
| (Increase)/Decrease in Other Loans | 1,19,26,637 | (1,40,50,479) |
| (Increase)/Decrease in Other Current Assets | 60,60,251 | (2,48,98,592) |
| (Increase)/Decrease in Inventories | - | - |
| Increase/(Decrease) in Trade Payables & Liabilities | (6,91,01,698) | 10,57,45,415 |
| Adjustment of Tax Refund | | |
| Adjustment Bad debts and Provisions | | |
| Net Cash Provided By/(Used In) Operating Activities (A) | 7,96,11,520 | (8,08,03,813) |
| Cash Flow From Investing Activities | | |
| Purchases of Fixed Assets | 5,68,107 | 19,67,053 |
| Term Deposit | (81,71,805) | 1,62,841 |
| Sale of Investments | - | - |
| Net Cash Provided By/(Used In) Investing Activities (B) | (76,03,698) | 21,29,894 |
| Cash Flow From Financing Activities : | | |
| Increase in Borrowings | (9,06,51,205) | 7,91,04,943 |
| Proceeds From Issuance of Share Capital | 11,25,000 | 6,75,000 |
| Share Premium | 34,42,500 | 20,65,500 |
| Net Cash Provided By/(Used In) Financing Activities (C) | (8,60,83,705) | 8,18,45,443 |
| Net Increase In Cash And Cash Equivalents (A-B+C) | 11,31,513 | (10,88,264) |
| Cash And Cash Equivalents At The Beginning of The Year | 23,35,463 | 34,23,727 |
| Cash And Cash Equivalents At The End of The Year | 34,66,976 | 23,35,463 |
| Cash And Cash Equivalents Comprises of : | | |
| 1. Cash In Hand | 21,05,678 | 2,82,568 |
| 2. Balances With Scheduled Banks | 13,61,298 | 20,52,895 |
| 2. Fixed Deposits | - | - |
| | 34,66,976 | 23,35,463 |

As per our report of even date annexed herewith

For and on behalf of the Board of Directors

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

Sunil Shah
(Partner)
M. No.052841
UDIN:21052841AAAAMF1525



Date : 23/06/2021
Place: Kolkata

Ganesh Chandra Modak
Managing Director
DIN: 02805427

Arpita Dey
Company Secretary
M. No. ACS50531

Sukriti Mukhopadhyay
Director
DIN: 06706862

GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

| Note-1 | <p>NATURE OF OPERATION:</p> <p>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> | | | | | | | | | | | | |
| 2.01 | <p>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> | | | | | | | | | | | | |
| 2.02 | <p>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> | | | | | | | | | | | | |
| 2.03 | <p>Tangible Assets</p> <p>All Tangible Fixed Assets have been stated at historical cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.</p> <p>Depreciation .</p> <p>Depreciation on Tangible Fixed Assets has been provided on the straight-line method over the useful lives of assets estimated by the Management, which is consistent with the useful lives prescribed under Part 'C' of Schedule II of Companies Act, 2013. Intangible assets are amortised over their estimated useful lives on a straight-line basis. The management estimates the useful lives of the Fixed assets as follows.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="text-align: left;">Classes of Assets</th> <th style="text-align: left;">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> | 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 | | | | | | | | | | | | |
| 2.04 | <p>Intangible Assets acquired separately are measured on initial recognition at cost. Following recognition, intangible assets are carried at cost less accumulated amortisation.</p> | | | | | | | | | | | | |
| 2.05 | <p>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> | | | | | | | | | | | | |
| 2.06 | <p>Revenue Recognition</p> <p>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.</p> <p>(i) Interest income on loans is recognised on accrual basis. Interest on Non-Performing Assets (NPA) is recognised only when realized.</p> <p>(ii) All other income is recognised on accrual basis.</p> | | | | | | | | | | | | |
| 2.07 | <p>Retirement and other Employee Benefits</p> <p>The company has estimated its liability towards Employees Gratuity based on an actuarial valuation in the current Financial Year.</p> | | | | | | | | | | | | |
| 2.08 | <p>Credit Rating</p> <p>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.</p> | | | | | | | | | | | | |



GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

Note-1 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.

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.

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.

All financial transactions are conducted in group meetings organised near the inhabitats of these women. The operations, in the initial stages of group formations, involves efforts on development training on financial discipline, and later constant monitoring through meetings and providing financial and support services at the doorstep of the borrowers to ensure high rate of recovery.

Note-2 SIGNIFICANT ACCOUNTING POLICIES:

2.01 Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principle in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read with paragraph 7 of the Companies (Accounts) Rule 2014 and the provisions of the Reserve Bank of India (RBI) as applicable to a Non Banking Financial Company. The Financial Statements are prepared under historical cost convention, on accrual basis except interest/discount on a loan which have been classified as Non Performing Assets and is accounted for on cash basis. The accounting policies applied by the company are consistent with those applied in the previous year.

2.02 Use of Estimates

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

2.03 Tangible Assets

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

Depreciation .

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

| Classes of Assets | Useful Lives |
|------------------------|--------------|
| Office Equipment | 5 Years |
| Computer | 3 Years |
| Mobile Phone | 3 Years |
| Car | 8 Years |
| Furniture and Fixtures | 10 Years |

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

2.05 Borrowing Cost

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



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, 1961. Deferred Income Tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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

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

2.10 Classification of Portfolio Loans

Loans are classified as follows

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

2.11 Provision for loan losses

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

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

| Asset Classification | Arrear Period | As Per Reserve Bank of India Guidelines | Estimated Provision adopted in F.Y.2020-21 | Estimated Provision adopted in F.Y.2019-20 |
|----------------------|---------------------|---|--|--|
| Current Assets | - | 0.40% | 0.40% | 0.40% |
| Standard Assets | Upto 90 days | 5% to 10% | 5% to 10% | 5% to 10% |
| Sub Standard Assets | From 91 to 179 days | 50% | 50% | 50% |
| Doubtful Assets | 180 days and above | 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.



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

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

2.14 Provisions and Write-offs

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

2.15 Cash and Cash Equivalents

Cash and Cash equivalents 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.



GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021:

Note-3: SHARE CAPITAL

| Particulars | 31ST MARCH, 2021 | 31ST MARCH, 2020 |
|---|---------------------|---------------------|
| AUTHORISED | | |
| 130,00,000 (P.Y.:40,00,000) Equity shares of ₹ 10/- each | 13,00,00,000 | 4,00,00,000 |
| 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 | 9,00,00,000 |
| ISSUED | | |
| 87,62,595 no (P.Y. 17,52,519) Issued Equity shares of ₹10/- each | 8,76,25,950 | 1,75,25,190 |
| SUBSCRIBED AND PAID UP | | |
| 87,62,595 no (P.Y. 16,40,019) paid up Equity shares of ₹10/- each | 8,76,25,950 | 1,64,00,190 |
| | 8,76,25,950 | 1,64,00,190 |

Terms/Rights attached to Equity Shares:

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

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

| Name of the Shareholder | As on 31/03/21 | | As on 31/03/20 | |
|--|--------------------|--------------|--------------------|--------------|
| | No. of shares held | % of Holding | No. of shares held | % of Holding |
| Ganesh Chandra Modak | 21,54,190 | 24.58% | 3,14,528 | 19.18% |
| Manasarovar Daltrade Pvt Ltd. | 16,78,400 | 19.15% | 3,35,680 | 20.47% |
| Initiator Dealcom Pvt Ltd. | 16,72,500 | 19.09% | 3,35,500 | 20.46% |
| Jeebika Business Promotional Initiative Pvt Ltd. | 15,79,975 | 18.03% | 3,15,995 | 19.27% |
| Sundari Modak | 8,07,600 | 9.22% | 1,61,520 | 9.85% |
| Sukriti Mukhopadhyay | 4,11,315 | 4.69% | 82,263 | 5.02% |

The reconciliation of number of Equity Shares is set out below

| Particulars | 31ST MARCH, 2021 | 31ST MARCH, 2020 |
|---|---------------------|---------------------|
| Number of Shares at the beginning | 16,40,019 | 15,72,519 |
| Add: Issue of Equity Shares during the Year | 71,22,576 | 67,500 |
| Number of shares at the end | 87,62,595 | 16,40,019 |

Note-4 RESERVES & SURPLUS

| Particulars | ₹ | ₹ |
|---|---------------------|---------------------|
| | 31ST MARCH, 2021 | 31ST MARCH, 2020 |
| A. Securities Premium | | |
| Opening Balance | 3,91,37,496 | 3,70,71,995 |
| Received During the Year | 34,42,500 | 20,65,500 |
| Less: Utilised during the year for Bonus Share | 4,25,79,996 | |
| | (0) | 3,91,37,496 |
| B. Statutory Reserve | | |
| Opening Balance | 1,17,73,200 | 41,28,717 |
| Add: Transfer from Surplus | 3,68,458 | 76,44,483 |
| | 1,21,41,658 | 1,17,73,200 |
| 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 | 4,70,67,842 | 1,64,89,908 |
| Add: Profit for the Year | 18,42,292 | 3,82,22,417 |
| Amount available for appropriation | 4,89,10,134 | 5,47,12,325 |
| Appropriation : | | |
| Transfer to Statutory Reserve | 3,68,458 | 76,44,483 |
| Issue of Bonus Share | 2,75,20,764 | - |
| Surplus - Closing Balance | 2,10,20,912 | 4,70,67,842 |
| TOTAL (A+B+C) | 3,31,62,570 | 9,79,78,538 |



GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

| Note-5 Long Term Borrowings | | |
|---|---------------------|---------------------|
| Particulars | 31ST MARCH, 2021 | 31ST MARCH, 2020 |
| | ₹ | ₹ |
| Ananya Finance for Inclusive Growth Pvt Ltd. | 2,44,58,336 | 5,43,74,992 |
| Union Bank of India | 2,77,59,325 | 4,39,99,892 |
| Union Bank of India (Car Loan) | 8,27,319 | 9,00,931 |
| Small Industries Development Bank of India (SIDBI) | 1,30,00,855 | 2,40,00,000 |
| Micro Unit Dev. & Refinance Agency (MUDRA) | 2,64,86,200 | 2,75,80,000 |
| State Bank of India (CCECL) | 77,77,776 | - |
| Bandhan Bank Ltd. | - | 2,49,99,998 |
| Arohan Financial Services Ltd. | - | 1,27,99,536 |
| Friends of WWB (Sanitation) | 3,03,20,651 | 2,75,00,000 |
| Friends of WWB (Solar) | 75,00,000 | 1,00,00,000 |
| Friends of WWB (IGL) | 86,95,651 | - |
| Jain Sons Finlease Ltd. (Intellegrow, now Ashv Finance) | 62,64,957 | 2,87,88,402 |
| Electronica Finance Ltd. | 1,75,00,000 | 2,80,52,121 |
| Eclear Leasing & Finance Pvt. Ltd. | 28,29,821 | 62,03,745 |
| Samunnati Financial | 4,23,01,669 | 5,45,92,289 |
| Kashi Vishwanatha Vidya Samsthe (Secured against hypothecation of book debts and personal guarantee of Managing Director) | 2,43,33,459 | |
| Sub Total | 24,00,56,019 | 34,37,91,906 |
| Less: Current Maturities of long term Liabilities (Please refer note no-8) | 17,69,49,908 | 23,45,82,813 |
| Total | 6,31,06,111 | 10,92,09,094 |
| Note-6 Short Term Borrowings | | |
| Particulars | 31ST MARCH, 2021 | 31ST MARCH, 2020 |
| | ₹ | ₹ |
| State Bank of India (Cash Credit) | 9,67,03,745 | 9,99,99,047 |
| State Bank of India (FITL) | - | - |
| Ananya Finance for Inclusive Growth Pvt Ltd. (OD) | 65,00,000 | - |
| Kashi Vishwanatha Vidya Samsthe | 18,53,000 | 3,92,23,687 |
| Profectus Capital Pvt. Ltd. | - | 1,03,82,233 |
| (Secured against hypothecation of book debts and personal guarantee of Managing Director, other than FITL) | | |
| Total | 10,50,56,745 | 14,96,04,967 |
| Note-7 Trade payables | | |
| Particulars | 31ST MARCH, 2021 | 31ST MARCH, 2020 |
| | ₹ | ₹ |
| Liability for Expenses | 19,65,722 | 15,88,067 |
| Group Insurance Premium | 25,888 | 1,09,221 |
| Total | 19,91,610 | 16,97,288 |
| Note-8 Other Current Liabilities | | |
| Particulars | 31ST MARCH, 2021 | 31ST MARCH, 2020 |
| | ₹ | ₹ |
| Current maturities of Long term debt | 17,69,49,908 | 23,45,82,813 |
| Statutory Liabilities | 20,76,726 | 6,82,167 |
| Interest Accrued but Not due | 27,94,806 | 16,40,640 |
| Total | 18,18,21,440 | 23,69,05,620 |



GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

Note-9

| Provisions | Long Term | | Short Term | |
|--|-------------|------------|--------------------|--------------------|
| | Particulars | | | |
| | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 |
| Provision for Portfolio Loan Assets: | | | | |
| Contingent Provision against Standard Assets | - | - | 44,43,135 | 54,79,101 |
| Non Performing Loans | - | - | - | 67,939 |
| Provision against Standard assets as on 29.02.2020 (Please refer Note 21A) against which moratorium granted due to COVID-19. | - | - | 2,34,146 | 1,17,073 |
| Provision against Standard assets as on 1.03.20 (Please refer Note 21B) against Re-structuring of loan due to COVID-19. | - | - | 1,27,20,338 | - |
| Total | - | - | 1,73,97,619 | 56,64,113 |
| Others | | | | |
| Provision for Graulty | - | - | - | 5,75,000 |
| Provision for Taxation | - | - | 47,05,881 | 1,37,36,841 |
| Total | - | - | 2,21,03,500 | 1,99,75,954 |

Note-10: Fixed Assets

| Tangible: | | | | | Figures in | ₹ |
|----------------------------------|-------------------|-----------------|------------------------|-------------------------------------|-----------------|------------------|
| Cost or Valuation | Office Equipments | Motor car | Computer & Accessories | Furniture & Fixtures and Equipments | Mobile Phone | Total |
| As at 31st March 2020 | 3,93,426 | 8,12,803 | 12,87,929 | 5,10,912 | 6,99,884 | 37,04,954 |
| Additions | 2,22,013 | - | 1,21,016 | 57,881 | 28,197 | 4,29,107 |
| Disposals | - | - | - | - | - | - |
| As at 31.03.2021 | 6,15,439 | 8,12,803 | 14,08,945 | 5,68,793 | 7,28,081 | 41,34,061 |
| Depreciation | | | | | | |
| As at 31st March, 2020 | 1,27,568 | 1,50,307 | 6,44,613 | 1,08,001 | 3,32,738 | 13,63,227 |
| Charge For the Period | 92,331 | 95,863 | 4,14,394 | 52,342 | 2,24,940 | 8,79,870 |
| Disposals | - | - | - | - | - | - |
| As at 31 Mar, 2021 | 2,19,899 | 2,46,170 | 10,59,007 | 1,60,343 | 5,57,678 | 22,43,097 |
| Net Block as on 31st March, 2021 | 3,95,540 | 5,66,633 | 3,49,938 | 4,08,450 | 1,70,403 | 18,90,964 |
| Net Block as on 31st March, 2020 | 2,65,858 | 6,62,496 | 6,43,316 | 4,02,911 | 3,67,146 | 23,41,727 |
| Intangible: | | | | | | |
| Cost or Valuation | | | | | Software | Total |
| As at 1st April 2020 | | | | | 2,39,266 | 2,39,266 |
| Additions | | | | | 1,39,000 | 1,39,000 |
| Less amortisation | | | | | 1,89,430 | 1,89,430 |
| As on 31 Mar '21 | | | | | 1,88,836 | 1,88,836 |
| As on 31st March, 2020 | | | | | | 2,39,266 |



GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

Note-11: Long Term Loans & Advances

Note-11A: Security Deposit

| Particulars | 31ST MARCH, 2021 | 31ST MARCH, 2020 |
|---|---------------------|---------------------|
| | ₹ | ₹ |
| <i>Security Deposit with Lenders:</i> | | |
| Ananya Finance for Inclusive Growth Pvt Ltd. | 67,21,717 | 1,26,87,429 |
| Arohan | - | 25,00,000 |
| Bandhan Bank | - | 53,79,487 |
| Eclear Leasing | 11,01,508 | 10,47,786 |
| Electronica Finance Limited | 19,26,424 | 39,01,385 |
| MUDRA | 47,94,268 | 30,68,351 |
| Profectus Capital | - | 10,40,196 |
| SBI | 1,08,39,220 | 1,02,99,220 |
| SIDBI | 33,95,254 | 31,99,504 |
| Union Bank | 43,20,661 | 62,38,891 |
| Sub Total | 3,30,99,052 | 4,93,62,249 |
| Less: Current Maturities (Realisable by one year) | 1,27,54,184 | 2,08,45,575 |
| Total | 2,03,44,868 | 2,85,16,674 |

Note-11B: Non Current (Long Term) Portfolio

| Particulars | 31ST MARCH, 2021 | 31ST MARCH, 2020 |
|--|---------------------|---------------------|
| | ₹ | ₹ |
| Long Term Portfolio (Refer Note No. 1) | 39,33,68,332 | 35,83,40,644 |
| Total | 39,33,68,332 | 35,83,40,644 |

Note-12: Cash and cash equivalents.

| Particulars | 31ST MARCH, 2021 | 31ST MARCH, 2020 |
|------------------------------|---------------------|---------------------|
| | ₹ | ₹ |
| (a) Balances with banks | 13,61,298 | 20,52,895 |
| (b) Cash in hand | 21,05,678 | 2,82,568 |
| (c) Fixed Deposit with Banks | - | - |
| Total | 34,66,976 | 23,35,463 |

Note-13: Short Term Loans and Advances:

| Particulars | 31ST MARCH, 2021 | 31ST MARCH, 2020 |
|----------------------------------|---------------------|---------------------|
| | ₹ | ₹ |
| (i) Micro Finance Loans | | |
| Opening Balance | 55,47,04,043 | 35,11,89,842 |
| Add: Loan Disbursed | 27,62,89,564 | 97,13,76,800 |
| Sub-Total | 83,09,93,607 | 1,32,25,66,642 |
| Less: Realised | 37,90,18,798 | 76,78,62,599 |
| Less: Bad-debt Written off | 76,61,301 | - |
| Less: BC Portfolio | 5,68,620 | - |
| Sub-Total | 44,37,44,888 | 55,47,04,043 |
| Less: Non Current Portfolio | 39,33,68,332 | 35,83,40,644 |
| | 5,03,76,556 | 19,63,63,399 |
| (ii) Loans to others (Unsecured) | 5,03,530 | 4,29,941 |
| (iii) Advance Income Tax | 42,71,730 | 1,58,01,000 |
| (iv) TDS Receivable | 2,27,661 | 6,98,617 |
| Total | 5,53,79,477 | 21,32,92,957 |



GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

| Note-14: Other current assets | | |
|---|---------------------|---------------------|
| Particulars | 31ST MARCH, 2021 | 31ST MARCH, 2020 |
| | ₹ | ₹ |
| Security Deposits against Loan (current Maturities) | 1,27,54,184 | 2,08,45,575 |
| Security Deposits | 67,500 | 1,13,626 |
| GST Input | 6,07,482 | 11,35,002 |
| Corpus to Sa-Dhan | 55,000 | 55,000 |
| Corpus to AMFI | 9,000 | 9,000 |
| Claim receivable from Insurance Companies | 62,317 | 6,62,484 |
| Receivable from Funding Agencies | 16,76,183 | 12,52,265 |
| Interest accrued on Loan Portfolio | 59,62,394 | 31,81,359 |
| Total | 2,11,94,060 | 2,72,54,311 |

| Note-15: Revenue from operations | | |
|---|---------------------|---------------------|
| Particulars | 31ST MARCH, 2021 | 31ST MARCH, 2020 |
| | ₹ | ₹ |
| Interest on Loan. (Refer Note (i) below) | 10,90,40,818 | 11,79,19,630 |
| Other Financial Charges (LPF) | 7,94,380 | 97,13,768 |
| Total | 10,98,35,198 | 12,76,33,398 |
| Particulars | 31ST MARCH, 2021 | 31ST MARCH, 2020 |
| | ₹ | ₹ |
| i) Interest on Loan comprises: | | |
| a) Interest on Micro Finance Loan | 10,90,40,818 | 11,79,19,630 |
| Total | 10,90,40,818 | 11,79,19,630 |
| The company offers small loan products to its borrowers for income generation, which are repayable in equal weekly/ fortnightly/ Monthly Instalments. | | |

| Note-16: Other Income | | |
|----------------------------------|---------------------|---------------------|
| Particulars | 31ST MARCH, 2021 | 31ST MARCH, 2020 |
| | ₹ | ₹ |
| Interest on Security Deposit | 25,45,405 | 20,64,325 |
| Commission on BC | 29,297 | - |
| Prov. (for Gratuity)Written back | 4,44,972 | - |
| Miscellaneous | 1,29,572 | 6,216 |
| Total | 31,49,246 | 20,70,541 |

| Note-17: Finance Cost | | |
|-------------------------|---------------------|---------------------|
| Particulars | 31ST MARCH, 2021 | 31ST MARCH, 2020 |
| | ₹ | ₹ |
| Interest on Borrowings | 5,59,73,695 | 4,82,78,764 |
| Documentation Charges | 5,25,889 | 34,22,495 |
| Loan Processing charges | 14,12,775 | 39,50,685 |
| Total | 5,79,12,359 | 5,56,51,944 |

| Note-18: Employee benefit expenses | | |
|------------------------------------|---------------------|---------------------|
| Particulars | 31ST MARCH, 2021 | 31ST MARCH, 2020 |
| | ₹ | ₹ |
| Salaries, Wages & Bonus etc. | 90,37,226 | 98,85,464 |
| Consultancy Fees | 3,000 | 10,000 |
| Remuneration to Managing Director | 24,00,000 | 12,00,000 |
| Remuneration to other Director | 7,94,292 | 7,92,000 |
| Gratuity | 1,30,028 | 6,04,503 |
| Benefit for Sweat Equity | 44,28,000 | - |
| Total | 1,67,92,546 | 1,24,91,967 |

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.



GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

Note-19: Administrative expenses

| Particulars | 31ST MARCH, 2021 | 31ST MARCH, 2020 |
|---------------------------|---------------------|---------------------|
| | ₹ | ₹ |
| Audit Fees | 75,000 | 50,000 |
| Printing & Stationery | 2,99,129 | 94,452 |
| Rent | 30,79,570 | 17,31,672 |
| Advertisement & Publicity | 40,000 | 5,000 |
| Travelling and Conveyance | 20,04,134 | 10,81,734 |
| Communication Expenses | 1,63,555 | 47,130 |
| Miscellaneous Expenses | 46,136 | 56,887 |
| Professional Fees | 1,58,500 | 1,99,000 |
| Insurance Premium | 6,94,154 | 1,17,617 |
| Rates & Taxes | 12,37,266 | 2,66,734 |
| Electricity Charges | 2,04,518 | 82,284 |
| Client Welfare | 2,17,575 | 1,93,450 |
| Bank Charges | 1,38,182 | 3,30,761 |
| Members welfare expenses | 62,618 | 87,211 |
| Membership fee | 1,27,000 | 1,08,500 |
| Meeting Exp. | 99,173 | 1,80,514 |
| Sitting Fees to Directors | 1,01,000 | - |
| Office Exp. | 4,87,655 | 1,56,904 |
| Rating & Grading Exp. | 2,62,000 | 2,53,000 |
| MFI Report Charges | 40,603 | 1,55,826 |
| Legal Expenses | 58,476 | 2,78,958 |
| Software Maintenance exp. | 3,28,800 | 3,60,000 |
| Filing Fees | 9,26,018 | 3,83,350 |
| Total | 1,08,51,062 | 62,20,984 |

Note-20: Provisions and Write offs

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| | ₹ | ₹ |
| Provision for Loan Loss on Standard Asset | (10,35,966) | 19,67,203 |
| Provision for Loan Loss on Doubtful and Loss Assets | (67,939) | 67,939 |
| Provision for Regulatory Package of COVID 19 | 1,17,073 | 1,17,073 |
| Provision for Regulatory Package of COVID 19 | 1,27,20,338 | - |
| Total Provision for Loan Loss | 1,17,33,506 | 21,52,215 |
| Portfolio Loan Writen off | 76,61,301 | - |
| Total | 1,93,94,807 | 21,52,215 |

Note-21: Classification of Portfolio Loan on age basis

| Particulars | Estimated Provisions Adopted by the Company | As at 31 Mar, 2021 | | | As at 31 March, 2020 | |
|---|---|---------------------|--------------------|------------------|----------------------|------------------|
| | | Principal | Overdue | Provision Amount | Principal | Provision Amount |
| Current | 0.4% to 1% | 29,19,15,616 | - | 36,81,146 | 55,05,72,286 | 50,79,514 |
| Upto 90 days | 0.5% | 15,23,97,892 | 2,19,41,133 | 7,61,989 | 39,95,879 | 3,99,588 |
| 91 to 179 days | 50% | - | - | - | 1,35,878 | 67,939 |
| 180 days or more | 100% | - | - | - | - | - |
| Total | | 44,43,13,508 | 2,19,41,133 | 44,43,135 | 55,47,04,043 | 55,47,040 |
| 1% Provision on outstanding loan Portfolio | | 44,43,13,508 | | 44,43,135 | 55,47,04,043 | 55,47,040 |
| *Subject to 1% Whichever is Higher | | | | 44,43,135 | | 55,47,040 |

According to 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.
As per Circular No. DOR.No.BP.BC.63/21.04.048/2020-21, Dated April 17, 2020, 10% Provision taken into account on standard assets



GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

Note-21A: Provision for Regulatory Package of COVID 19

| Particulars | Principal as on 29.02.2020 | Provision Amount (₹) | Provision Amount (₹) | Total Provision (10%) |
|---|-------------------------------|----------------------|----------------------|-----------------------|
| | ₹ | 31st March 2020 | 30th June 2020 | ₹ |
| Principal outstanding of all standard but overdue accounts (DPD 1 to 89 days) | 23,41,452 | 1,17,073 | 1,17,073 | 2,34,146 |
| Total | 23,41,452 | 1,17,073 | 1,17,073 | 2,34,146 |

According to RBI Circular No.RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 on COVID19 Regulatory Package - Asset Classification and Provisioning, a general provisions of 10 per cent shall be computed for all standard but overdue accounts on February 29, 2020 for which moratorium has been granted. This amount would then be provided in a phased manner i.e. 5 per cent in Q4 of FY 19-20 and remaining 5 per cent in Q1 of FY 20-21.

Note-21B: Provision for Regulatory Package of COVID 19

| Particulars | Principal as on 01.03.2020 | Provision Made | Provision Reversed | Total Provision |
|---|-------------------------------|----------------|--------------------|-----------------|
| | ₹ | ₹ | ₹ | ₹ |
| Principal outstanding of all standard but overdue, 'not more than 30 days' accounts Total | 18,89,25,263 | 1,88,92,526 | 61,72,188 | 1,27,20,338 |

According to RBI Circular No.RBI/2020-21/16. DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 on Resolution Framework for COVID-19 Related Stress: Classification and Provisioning, a general provisions of 10 per cent shall be computed for all standard but overdue not more than 30 days accounts on 01.03.2020 for which moratorium has been granted.

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 |

c) Nature of Transactions

| Particulars | 31.03.2021 | 31.03.2021 | 31.03.2020 | 31.03.2020 |
|---------------------------------|-------------------|-------------|-------------------|-------------|
| | Transaction Value | Outstanding | Transaction Value | Outstanding |
| i) Ganesh Chandra Modak | | | | |
| Remuneration | 24,00,000 | 2,00,000 | 12,00,000 | 1,00,000 |
| Sweat Equity share | 44,28,000 | - | 20,25,000 | - |
| Rent | 4,80,000 | - | 7,20,000 | 60,000 |
| ii) Sukriti Mukhopadhyay | | | | |
| Remuneration | 7,94,292 | 66,191 | 7,92,000 | 66,000 |

Note-23: Earning Per Share

| Particulars | For the period ended 31 Mar, 2021 | For the period ended 31 Mar, 2020 |
|-----------------------------------|-----------------------------------|-----------------------------------|
| | ₹ | ₹ |
| Net Profit after Tax | 18,42,292 | 3,82,22,417 |
| Weighted Average Number of Shares | 55,17,854 | 16,33,361 |
| Earning Per Share (Basic/Diluted) | 0.33 | 23.40 |
| Nominal Value Per Share | Rs.10/- | Rs.10/- |

Note-24: Segment Reporting

The company operates in a single reportable segment i.e. lending in Microfinance Sector, which have similar risk and returns for the purpose of AS-17 on 'Segment Reporting' issued by ICAI. The company does not have any reportable Geographical Segment.



GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

| | | | |
|-----------------|---|--------------------|----------------|
| Note-25: | Disclosure of micro and small enterprises. | | |
| | The Company has initiated the process of identification of suppliers registered under Micro, Small and Medium Enterprises Act 2006 (The MSMED) by obtaining confirmation from all the suppliers. Based on the information available with the company no amount is payable to micro, small and medium enterprises. | | |
| Note-26: | Disclosure details as required in terms of Paragraph 13 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank of India) Directions. | | |
| | LIABILITIES SIDE | Amount Outstanding | Amount Overdue |
| 1 | Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid : | | |
| 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 | 34,51,12,764 | Nil |
| d. | Inter-corporate loans and borrowing | Nil | Nil |
| e. | Commercial paper | Nil | Nil |
| f. | Public Deposits | Nil | Nil |
| g. | Other Loans (Cash Credit facility) | Nil | Nil |
| | Total | Nil | Nil |
| 2 | Break-up of (1)(f) above (Outstanding public deposits Inclusive of interest accrued thereon but not paid) : | Amount Outstanding | Amount Overdue |
| a. | In the form of unsecured debentures | Nil | Nil |
| b. | In the form of partly secured debentures i.e. debentures 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 | |
| a. | Secured | | |
| b. | Unsecured (see schedule) | 44,37,44,888 | |
| 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 | |
| a. | Financial lease | Nil | |
| b. | Operating lease | Nil | |
| II | Stock on hire including hire charges under Sundry Debtors | Nil | |
| a. | Assets on hire | Nil | |
| b. | Repossessed Assets | Nil | |
| III | Hypothecation Loans counting towards EL/HP activities | Nil | |
| a. | Loans where assets have been repossessed | Nil | |
| b. | Loans other than (a) above | Nil | |
| | Total | Nil | |
| 5 | Break up of Investments : | | |
| | Current Investments | | |
| 1 | Quoted Shares | | |
| I | Shares : (a) Equity | Nil | |
| | (b) Preference | Nil | |
| II | Debentures and Bonds | Nil | |
| III | Units of mutual funds | Nil | |
| IV | Government Securities | Nil | |
| V | Others (Please Specify) | Nil | |
| 2 | Un-Quoted Shares | | |
| I | Shares : (a) Equity | Nil | |
| | (b) Preference | Nil | |
| II | Debentures and Bonds | Nil | |
| III | Units of mutual funds | Nil | |
| IV | Government Securities | Nil | |
| V | Others (Please Specify) | Nil | |
| | Long Term Investments : | | |
| 1 | Quoted Shares | | |
| I | Shares : (a) Equity | Nil | |
| | (b) Preference | Nil | |
| II | Debentures and Bonds | Nil | |
| III | Units of mutual funds | Nil | |
| IV | Government Securities | Nil | |
| V | Others (Please Specify) | Nil | |



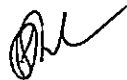
GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

| | | Amount Outstanding | |
|---|---------------------------------|---|---------------------------------------|
| 2 Un-Quoted Shares | | | |
| I Shares : (a) Equity | | | Nil |
| | (b) Preference | | Nil |
| II Debentures and Bonds | | | Nil |
| III Units of mutual funds | | | Nil |
| IV Government Securities | | | Nil |
| V Others (Please Specify) | | | Nil |
| 6 Borrower group-wise classification of all leased assets, stock on hire and Loans and advances : | | | |
| Category | Amount net of provisions | | |
| | Secured | Unsecured | Total |
| 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 | 44,37,44,888 | 44,37,44,888 |
| 7 Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and un quoted) | | | |
| Category | | Market value/Break up or fair value or NAV | Book Value (Net of provisions) |
| 1 Related Parties | | | |
| a.Subsidiaries | | Nil | Nil |
| b.Companies in the same group | | Nil | Nil |
| c.Other related parties | | Nil | Nil |
| 2 Other than related parties | | Nil | Nil |
| Total | | Nil | Nil |
| **As per Accounting Standard of ICAI | | | |
| 8 Other Information: | | | |
| Particulars | | | |
| I. Gross Non-performing Assets | | | |
| a.Related parties | | | Nil |
| b.Other than related parties | | | Nil |
| II Net Non-performing Assets | | | |
| a.Related parties | | | Nil |
| b.Other than related parties | | | Nil |
| III Assets acquired in satisfaction of debt | | | |

Note-27: Previous Year Figures

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

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




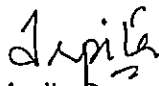
Sunil Shah
(Partner)
M. No.052841
UDIN:21052841AAAAMF1525



For and on behalf of the Board of Directors


Ganesh Chandra Modak
Managing Director
DIN: 02805427


Sukriti Mukhopadhyay
Director
DIN: 06706862


Arpita Beyer
Company Secretary
M. No. ACS50531

Date : 23/06/2021
 Place:Kolkata