



ANNUAL REPORT 2021-22



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

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From the Desk of Managing Director

The end of the last Financial Year (FY) was hailed by the entire MFI sector as RBI released the much awaited 'Revised Regulatory Framework' for microfinance. The latest guidelines are a strong reflection of the maturity of MFIs in the country and will go a long way in harmonising the regulatory framework for different types of lenders, encouraging healthy competition and enabling customers to make an informed choice regarding their credit needs. It will further help deepening penetration of micro-credit in the country. The new framework will help scale the industry further, ensuring better risk mitigation and financial inclusion.

The common regulatory framework will create a level playing field for both borrowers and lenders as they will now have options. The new framework will safeguard the interests of the borrowers and help the sector to cater to the needy borrowers. The key changes in the revised framework will bring in the entire micro-finance industry under the regulatory coverage unlike one-third of the industry coverage earlier. Further, the ability of the small & mid-sized MFI players to implement risk based pricing would enable building both scale and operating buffers, resulting in improved credit worthiness in the eyes of the lenders.

The pandemic has adversely affected the incomes of MFI clients. This has put them under stress, and many have had to reduce their household expenditures. With the worst of the pandemic appearing to have passed, MFI clients have been gradually rebuilding their livelihoods, but their monthly incomes and savings have still not gone up to the pre-pandemic levels. There is evidence that COVID 19 has increased the indebtedness levels of MFI clients. Those MFI clients who had a significant proportion of their income from agriculture and those who had a permanent job were relatively less affected by the pandemic.

Also, the field staff of MFIs appears to have coped reasonably well with the challenges posed by the pandemic. The fact that they had a job during this period of uncertainty has been a matter of great relief for them. The silver-lining lies in the fact that most MFIs, it appears, are in a position to overcome the stress and will be able to continue serving their clients. However, there is a small but significant proportion of MFI clients who have not still come out of economic distress.

As the dark clouds of 'Pandemic' slowly drifted away, operations in Grameen Shakti gradually picked up its momentum and the last FY was characterized by some notable events. Company ventured in to the BC sector with Monexo & Ananya Finance. NABARD extended on-lending support along with Public Sector Banks like Canara Bank, PNB & Union Bank. FWWB, Samunnati & Electronica Finance renewed their collaboration while Arohan Financial Services made a token entry.

Further, with profound feeling of happiness, we would like to inform that Grameen Shakti has once again been awarded the much coveted **SKOCH Award** on 'Financial Inclusion & Income Generation' in 2022. It's another feather in our cap as we are the recipient of this award three times in a row. Further, **AMFI-WB** has awarded us for best 'Customer Relationship Initiatives' at 6th Eastern India Microfinance Summit, 2022. It specially recognizes Grameen Shakti's role in financially including the underprivileged and underserved women of rural India.



Annual Report 2022

With the induction of 2 retired Senior Bankers in to the Board, Company now has a proactive six-Member Board of Directors that is dedicated to the company's mission. Moreover, Company has a strong and qualified second line of management with long domain experience.

Now, we have a well geographically diversified operation spreading over 12 districts & 3 states. As of 31 March 2022, the Company reported a CAR of 28.31%. The CAR is, nevertheless, higher than the RBI's requirement (15%) for NBFC-MFIs. The present CAR is comfortable to attract external lenders.

For the past few years, the operating expense ratio (OER) has been improving from 8.2% in FY 2018-19 to 6.6% in FY 2021-22 mainly because of economies of scale coupled with technology interventions with BIJLI Microfinance software.

In last FY (2021-22) we were able to raise loan of ₹ 31.27 cr. and borrowing outstanding increased to ₹ 42.67 cr. Our loan portfolio increased to ₹ 56.52 cr. while borrower base increased to 20,632 and Profit before Tax is ₹ 1.88 cr.

In the current Financial Year (FY 22-23), the Company has to work under a new regulatory framework and it would be challenging as well as competitive. Our Executive team is committed to attain a major milestone in the portfolio size during this financial year. I appeal to all our well-wishers, advisors, business partners & funding agencies to come forward and support us in achieving our much coveted goal of ₹ 100 cr. portfolio.

We are deeply grieved by the sudden demise of Late Dr. P. Satish, E.D, Sa-Dhan. He played an instrumental role in shaping the MFI sector of India specially highlighting the problems of small and medium MFIs to the RBI as well as to the Ministry of Finance.

We bow our head in reverence to the departed soul of our beloved Satish Sir.

Regards,
Mr. Ganesh Chandra Modak

We are deeply saddened by the untimely demise of
Dr. P. Satish Sir.
May his Soul rest in Peace.



Late Dr. P. Satish
Executive Director, Sa-Dhan

Our deepest & heartfelt
condolences to
Dr. P. Satish's Family & Sa-Dhan



Messages from our Mentors-cum-Advisors

The Master Direction issued by Reserve Bank of India on 14th March, 2022 has laid down a



comprehensive regulatory framework for Micro Finance Loans in India. This will go a long way in building up an efficient and transparent mechanism for reaching out to the small ticket borrowers for carrying out commercial activities in different sectors. The initiatives will

certainly reinvigorate the micro finance loan products and will bring about a significant change in the economic wellbeing particularly in rural and semiurban households.

It gives me immense pleasure to know that Grameen Shakti Microfinance Services Pvt. Ltd. is all poised to sharpen its skill and expand its activities in the changing environment, in conformity with the Master Direction.

Grameen Shakti Microfinance Services Pvt. Ltd., is a well-known name in the eastern part of the country, and the entire team of GSMSP Ltd. under the leadership of Mr. Modak has shown commendable performance even in difficult times. Looking ahead, I am sure, Mr. Modak and his team will achieve success in all parameters.

My best wishes to Mr. Modak and his team.

Yours Sincerely,
Mr. Bhaskar Sen
(Former CMD,
United Bank of India)

My association with Grameen Shakti and especially with its



Managing Director, Mr. Ganesh Chandra Modak, goes back to the days when I was in active service at SIDBI. Microfinance has always remained very close to my heart as the sector played an important role in the national economy and

ably served its purpose by helping transform the lives of millions at the bottom of the pyramid-especially women living in rural India.

Post my retirement and having settled in Kolkata, my association with Mr. Modak became more pronounced as I found Mr. Modak, a pioneer in the field having 'in-depth on field' knowledge of the operation of microfinance was doing yeoman service to the sector. On different occasions he sought

suggestion from me in the matters related to 'Corporate Governance'.

It is heartening to see that Grameen Shakti, despite several challenges, has slowly but steadily grown in size and portfolio since its formation as NBFC-MFI in 2017. Today with more than 20 Branches spread across three states, the Company is managing a portfolio of around ₹ 57 crore, which is indeed a matter of pride and satisfaction, more particularly the achievements made in post pandemic era.

The Company is in an exciting and extremely challenging phase, however I am confident that the Team in Grameen Shakti led by Mr. Modak are well geared to take up the challenges and looking to the future with optimism and courage. I wish the Company all success in its effort to ensure an 'Inclusive Society'.

Mr. Pradip Kumar Saha
Ex-CGM, SIDBI



Messages from our Well-Wishers

I am happy that Grameen Shakti microfinance Services Ltd has performed well during the financial year 2021-22. Although the year has been a challenging year for the microfinance sector in India due to the impact of the COVID - 19 pandemic, it is heart-warming to see the sector has shown its resilience to overcome the impact of the pandemic. Grameen Shakti Microfinance Services Pvt Ltd has shown great resilience to combat with COVID-19 pandemic and performed well.



Grameen Shakti Microfinance Services Pvt. Ltd, based in West Bengal, is a rural-focused MFI catering to some of the backward areas of the country. Its activities of bringing the poor and downtrodden families into the fold of financial inclusion and are enabling them to pursue meaningful economic activities is laudable.

Grameen Shakti Microfinance Services Pvt Ltd is an active partner of Sa- Dhan in the Digital Financial Inclusion Project. The institution has been guided ably by the leadership of Shri Ganesh Chandra Modak, Managing Director, and his team. They have also made good progress in digitization with 100% cashless disbursement and 25-30% cashless collection. The organization is putting efforts and energy to increase the cashless collection to 50% to reduce the processing time and operational cost for emphasizing responsible lending and client protection.

On behalf of Sa- Dhan and on my own personal behalf I congratulate Grameen Shakti and wish them more success in the coming years in its endeavor toward achieving universal financial inclusion.

With regards,

Mr. Jiji Mammen
Executive Director & CEO
Sa-Dhan



Annual Team Meet of South Bengal



Mission & Vision

MISSION

To provide wide range of financial services through JLG to financially excluded, economically deprived rural women, in order to ensure livelihood improvement leading towards economic freedom, access to improved healthcare, basic education and empowerment.

VISION

To emerge as a responsible, profitable, well governed MFI catering to 50,000 borrowers through 60 branches in 5 states and loan book of ₹ 250 crore, including significant portion of managed portfolio, by 2025.

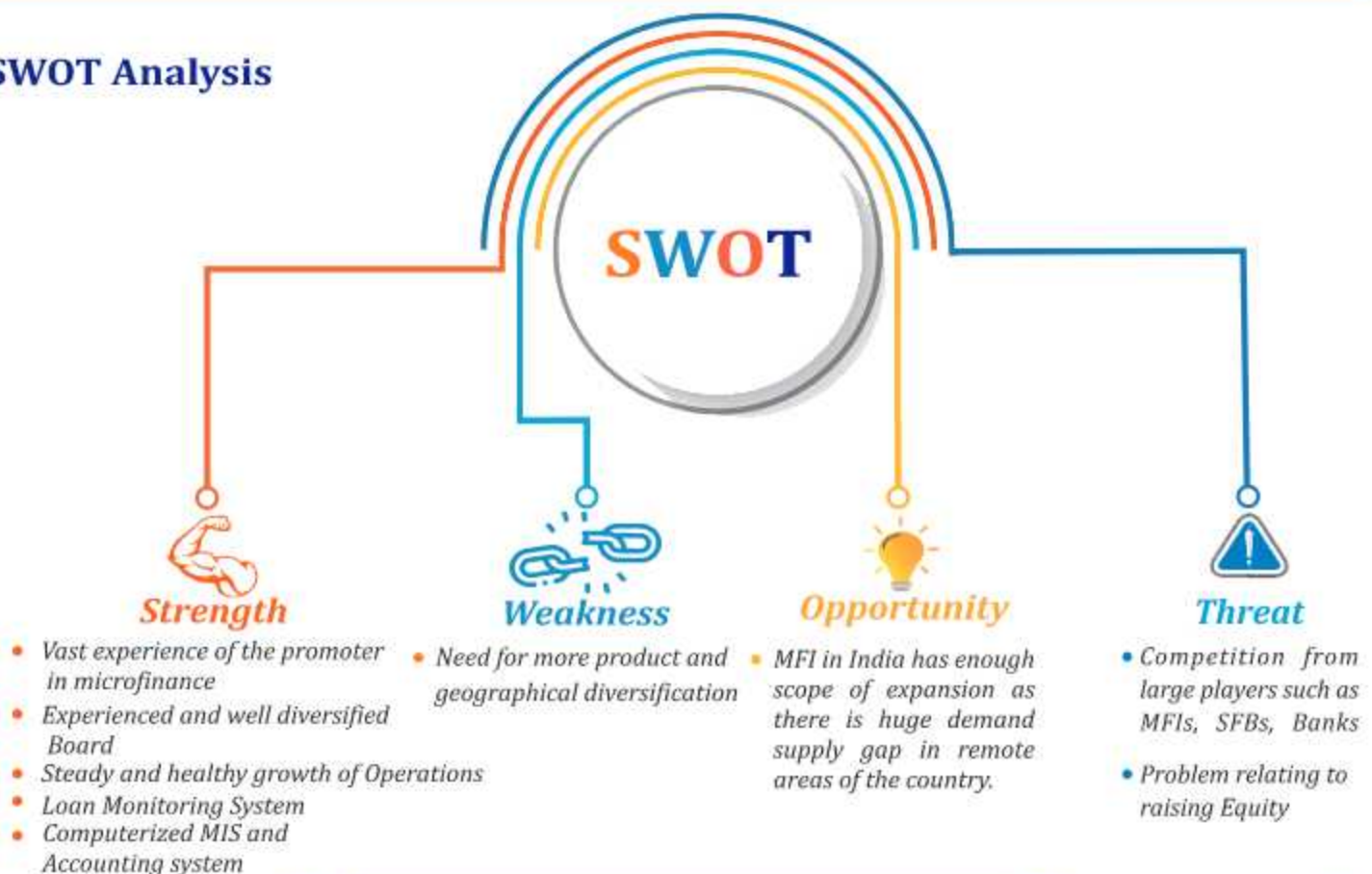
To cater to 2 lakh borrowers through 250 branches in 8-10 states, with loan book of ₹ 1,000 crore by 2030.



CORE ETHICAL VALUES

- Integrity
- Self-Discipline, Acting with Reasonable Restraint
- Faithfulness to Clients
- Loyalty
- Responsibility, Reliability, Dependability
- Charity & Kindness

SWOT Analysis



Board of Directors



Ganesh Chandra Modak
Managing Director

He is a renowned figure in Microfinance sector with an outstanding experience of more than 28 years. He has been groomed under Dr. Md. Yunus of Grameen Bank, Bangladesh. Mr. Modak is also known for his "in-depth on field" knowledge of the operation of microfinance.



Sukriti Mukhopadhyay
Executive Director

She has a rich experiences of working in a number of microfinance organizations in West Bengal. In this context, her proficiency has reached above 20 years. Furthermore, she is now Chief Operational Officer of this organization as well.



Sundari Modak
Non-Executive Director

Sundari Modak is involved in key managerial activities in various organization i.e. Jeebika Business Promotion & Initiative Pvt. Ltd, Initiator Dealcom Pvt. Ltd, Manasarovar Dealtrade Pvt. Ltd. She is also associated with a school as a governing body member and with various social welfare activities.



Maitrayee Banerjee
Independent Director

She is the Ex-GM, UCO Bank with 36 years of experience. She worked as a consultant of BCSBI for undertaking incognito visit of the branches of various PSU and Private Banks in respect of Customer Service Compliance of RBI guidelines relating to borrowing, lending, remittance and all other fields of branch operations.



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 also has significant experience in working with Forex Association of India (FAI) as a key Office-bearer.



Gautam Sen
Independent Director

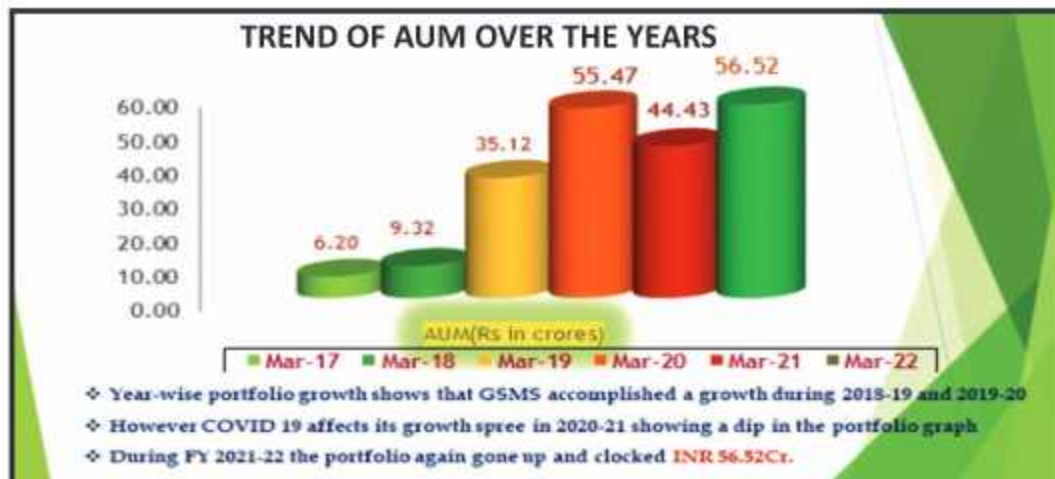
Mr. Sen has 36 years of experience in the banking field and retired as General Manager of NABARD. During the tenure he served in various capacities in the organisation taking care of business growth, internal accounting, information technology etc.



Journey of Grameen Shakti

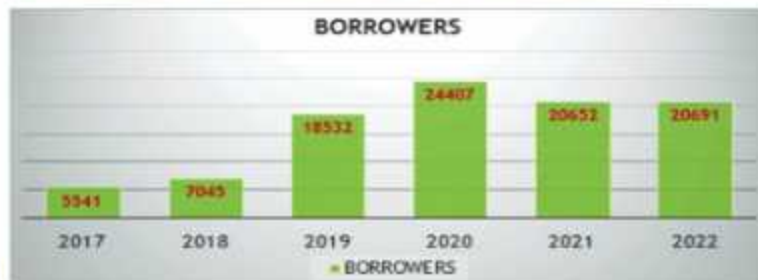


- ❖ Increase in the profit after Tax of GSMS during 2016-17 till 2019-20
- ❖ COVID 19 brought down the PAT 2020-21 mainly due to additional provisioning on the portfolio
- ❖ During FY 2021-22 the nine months results (period ending 31st December , 2021) of the current year shows that PAT is **INR 1.38 Cr.**



Journey of Grameen Shakti

Growth in the Number of Borrowers



- ◆ Increase in the number of borrowers of GSMS from 2016-17 till date
- ◆ Constant increase shows the growth path of the GSMS
- ◆ Even during the COVID 19 period i.e. in FY 2020-21 GSMS managed to retain 20000+ borrowers level
- ◆ Maintained the borrower level as on 31st March 2022

Periodical Movement of GNPA



GNPA was below 1% since 2017 till 2021 (Max is 0.13% in FY2018 and zero in FY2019 and FY2021)

This reflects GSMS exercised a good control in the field with its experienced and dedicated operational team

In FY 21-22 the GNPA showed a little incremental movement but with immediate deployment of dedicated recover team GSMS able to control the situation.

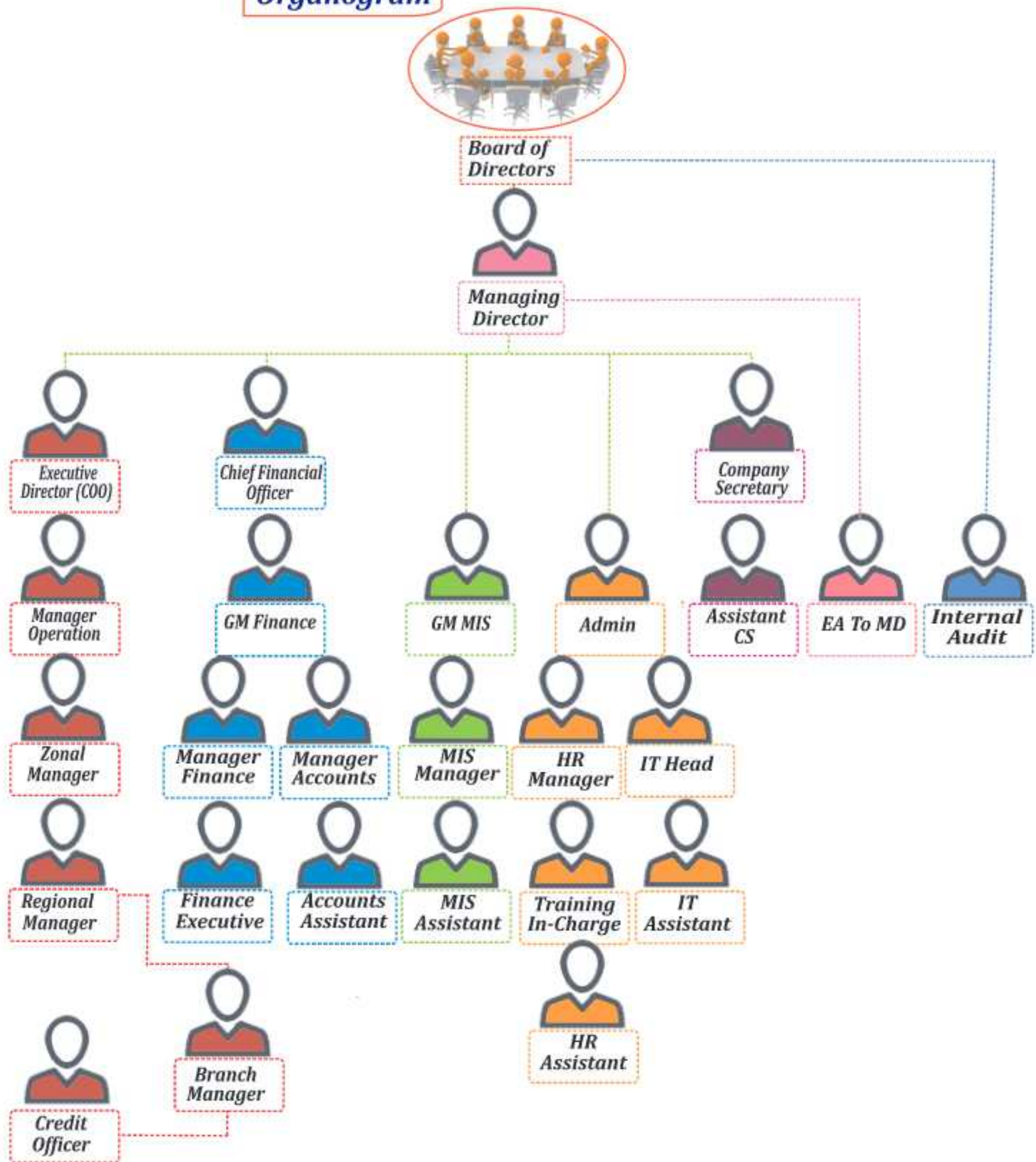
The GNPA which was 4.29% in Sept'21, down to 1.81% in Dec'21 and 0.03% in Mar'22.

PROGRESS IN DIGITISATION

- GSMS always in favour of digitization of its collection and disbursements.
- The disbursement process has been digitized through the direct fund transfer to the borrowers' account.
- In the post pandemic scenario when the group dynamics has been hampered due to COVID restrictions, GSMS started educating its borrowers to switch to digital mode of payment of installments. For this all the avenues for digital collection has been brought into place (like PayTm, G Pay, QR Code scanning of SBI, etc.)
- Presently approx. 15%-20% of total collections are coming from borrowers through these digital modes....
- GSMS is in touch with the DIGIPE, ESAB Bank and other service providers for digitizing the collection process.



Organogram



Down The Memory Lane



Official of NABARD at Bindol Branch with Clients



PNB official with Mr. Modak, MD & DGM, Finance



Field Visit by Union Bank Official



Signing of Documents with CSB Bank



Mr. Souvik of Sa-Dhan with Clients at Purnanagar



Team Meeting of Field Officers May, 2022



Our Financial Partners



Our Associates



Geographical Spread

Network of Branches

West Bengal

- Purnanagar
- Santipur
- Srirampur
- Kalna
- Raiganj
- Tungidighi
- Bindol
- Patirajpur
- Patiram
- Safanagar
- Kushida

Bihar

- Azamnagar
- Barsoi
- Sonaili
- Telta
- Roshna

Jharkhand

- Bengabad
- Sarath
- Debipur
- Madhupur

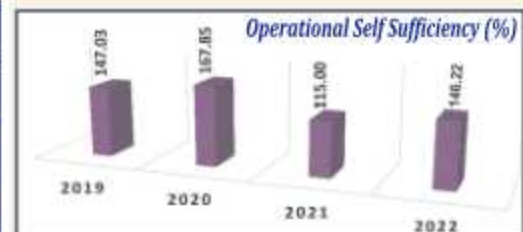
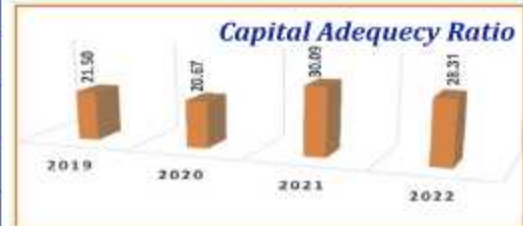


Highlights of 2021-2022



Operational & Financial Performance

Operational & Financial Performance					
Particulars		As on March, 22	As on March' 21	As on March' 20	As on March' 19
Branches		20	20	14	14
JLG / Centre		2435	1820	2274	1823
Members		25109	26862	32606	24977
Borrowers		20632	20760	24407	18532
Loan Disbursement (cumulative)	Number	90571	73991	71667	40563
	Amount (in cr.)	247.02	192.22	183.66	86.53
AUM (in cr.)		56.52	44.43	55.47	35.12
Profit Before Tax (in cr.)		1.88	0.70	5.24	1.40
Net Owned Fund (in cr.)		13.65	12.08	11.44	7.34
Debt-Equity Ratio		2.77	2.50	4.31	4.16
Capital Adequacy (%)		29.01	30.09	19.70	20.52
Return on Equity (%)		12.21	1.57	40.71	13.95
Operational Self-Sufficiency (%)		146.22	114.87	167.85	147.03
Collection Efficiency (%)		97.25%	73%	100%	99.88%
Borrowing Outstanding (cr.)		42.68	34.51	49.34	30.55



Lender wise details

Name of Lender	Amt. Sanctioned (₹ in Cr.)	Amt. Availed (₹ in Cr.)	Outstanding as on 31.03.2022 (₹ in Cr.)
State Bank of India	11.45	11.45	10.11
Union Bank of India	9.00	9.00	2.94
SIDBI	3.00	3.00	0.01
MUDRA	4.50	4.50	0.50
NABARD	2.00	2.00	1.20
Punjab National Bank	10.00	10.00	9.75
Canara Bank	5.00	5.00	4.17
Total : Rs.	44.95	44.95	28.68

Name of Lender	Amt. Sanctioned (₹ in Cr.)	Amt. Availed (₹ in Cr.)	Outstanding as on 31.03.2022 (₹ in Cr.)
B/F	44.95	44.95	28.68
Eclear Finance	1.00	1.00	Nil
Ananya	16.30	16.30	0.55
Electronica	7.25	7.25	2.05
FWWB	14.50	14.50	5.88
KVVS-Milaap	13.85	13.85	1.84
Arohan Finance	3.00	3.00	0.45
Samunnati	8.00	8.00	3.17
Grand Total : Rs.	108.85	108.85	42.62



Loan Product

Loan product details March-2022

Product	Maximum loan amount	Repayment	% of interest	Charges
Gen. Loan (income generating) up to 2 years	60000	Monthly / Bi-weekly / Weekly	21.69%	1% Pro.Fee,+18% GST 1% Risk Pre.18% GST
Hygienic Loan up to 2 years	30000	Monthly / Bi-weekly / Weekly	21.69%	1% Pro.Fee,+18% GST 1% Risk Pre.18% GST
SEP Loan 1 year	10,000	Monthly / Bi-weekly / Weekly	21.69%	1% Pro.Fee,+18% GST 1% Risk Pre.18% GST

Our services



Water & Sanitation
(WATSAN) Project



Amrit Bari Project



Disaster Management



Solar Energy Project



Educational Assistance



Hospi-Cash Insurance



Corporate Governance

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.



Investment Rating

Rating agency 'Acuite' upgraded our rating to 'BB+' while 'M Cril' awarded 'α-' (alpha minus) Investment Rating' indicating positive rating outlook. It also indicates good governance, good systems and good financial performance; low risk and capable of handling large volumes of transactions. maintaining an existing 'Rating' in the post-pandemic era is indeed a great achievement for us.





- **SKOCH 'Order of Merit'** award for 'Financial Inclusion & Income Generation' in 2022
- **AMFI-WB** has awarded us for best 'Customer Relationship Initiatives' at 6th Eastern India Microfinance Summit, 2022.
- **SKOCH 'Order of Merit'** award for 'Leadership' quality in the field of Banking & Finance in 2019 & 2020
- **KPMG** award for best 'Client-Centric Activities' in 2018-19 & 2019-2020



Mr. Ganesh Chandra Modak receiving Award at 6 th E.I Microfinance Summit, 2022 organised by AMFI-WB



SKOCH Award 2022



'Customer Relationship Award' for Grameen Shakti at 6 th Eastern India Microfinance Summit, 2022



Success Stories

Center : Kumkum, Member Name : Mongli Devi

Name of Husband : Bablu Saha, Member Since: 09/01/2017

Amount of 1st Loan: ₹ 15,000/-

Mongli Devi is a Member of Grameen Shakti for the last 5 yrs. Initially, she used to work as maid in houses and her husband used to work as electrician. As it was not sufficient to meet family expenses, Mongli Devi thought of supplementing their family income by earning something extra. But due to pandemic, his husband's income affected and they had real tough time to run the family. During this time, Mongli Devi took fresh loan of ₹ 35,000/- (31/01/2021) to open an shop for electric goods. This was the beginning and no looking back thereafter. Gradually, she extended his shop as well as scale of operation and started earning more. She started repaying her loans in time and their only child now goes to 'Primary School'. Mongli Devi & her husband had already opened their Bank accounts and they had developed the habit of savings too.



Center : Rakhi, Member Name : Jayanti Devi

Name of Husband : Madan Kumar Das,

Member Since: 19/12/2016, Amount of 1st Loan: ₹ 10,000/-

Jayanti Devi is a Member of Grameen Shakti for the last 6 yrs. Initially, she and her were engaged in agricultural activities. Jayanti Devi became our Member and took loan to sustain their livelihood. Covid made their life difficult and they hardly had any money to pursue their activities. At this juncture, Jayanti Devi took ₹ 35,000/- loan to open a grocery shop. Slowly their business grew in size and volume and income doubled. She repaid the full amount of the loan taken previously and asked for more loans to further expand their business. Today they have moved to a 'Pucca House' and earning sufficient income to put their children to school. They had already opened their Bank accounts and they regularly save a part of their monthly income after meeting all the expenses.



Annual Report 2022

DIRECTORS' REPORT

To
The Members of
Grameen Shakti Microfinance Services Private Limited

The Directors have the pleasure in presenting their 29th Annual Report providing an outlook on the business and operations of the Company together with the Audited Financial Statements for the financial as on 31st March, 2022.

FINANCIAL PERFORMANCE:

Amount in ₹

Particulars	Year ending on 31.03.2022	Year ending on 31.03.2021
Total Revenue	9,88,76,541	11,29,84,444
Total Cost	8,00,46,587	10,60,20,074
Profit Before Tax	1,88,29,954	69,64,370
Tax Expenses	31,20,561	51,22,078
Profit After Tax	1,57,09,393	18,42,292
Microfinance Portfolio	50,95,78,564	44,37,44,888
Net Owned Fund	13,64,97,913	12,07,88,519
% of Financial Assets over Total Assets	87.43%	89.49%

REVIEW ON OPERATIONS OF THE COMPANY

Now, we have a well geographically diversified operation spreading over 12 districts & 3 states. As of 31 March 2022, the Company reported a CAR of 28.31%. The CAR is, nevertheless, higher the RBI's requirement (15%) for NBFC-MFIs. The present CAR is comfortable to attract external lenders. Operating expense ratio (OER) had improved from 8.2% in FY 2018-19 to 6.6% in FY 2021-22 mainly because of economies of scale coupled with technology interventions with BIJLI Microfinance software.

In last FY (2021-22) we were able to raise loan of ₹ 31.27 cr. and borrowing outstanding increased to ₹ 42.67 cr. Our loan portfolio increased to ₹ 56.52 cr. while borrower base to 20,632 and Profit before Tax is ₹ 1.88 cr. Further, the financial position of the company has seen a positive growth during the year. The total revenue stands at ₹ 9,88,76,541 as on 31.03.2022 as compared to ₹ 11,29,84,444 as on 31.03.2021. Further, Grameen Shakti received ₹ 69.08 lakh during FY 21-22 under 'Interest Subvention Scheme' from Mudra which was duly passed on to our valued clients (economic stimulus package).



PROSPECTS

With the gradual dip in the spread of the pandemic, operations in the Company gained its momentum back and the last financial year was characterized by some notable events. The Company ventured in to the **Business Correspondent Sector** with Monexo Fintech Private Limited & Ananya Finance for Inclusive Growth Private Limited. Public Sector Banks i.e Canara Bank, Punjab National Bank & Union Bank extended on-lending support to the Company under the Credit Guarantee Scheme. NABARD also brought the Company under their framework by extending on-lending support for microfinance clients.

The Board of Directors of the Company was graced with the presence of two retired Senior Bankers making the Company's Board a dynamic six-Member Board of Directors that is dedicated to the company's mission. The Company is also proactively framing the second line of management preparing it to be in line with the ongoing developments and implementing the same to ensure Now, we have a well geographically diversified operation spread over 3 states with expansion plans in line.

In the current Financial Year (FY 22-23), the Company has to work under a new regulatory framework and it would be challenging as well as a competitive experience for the Company.

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 public during the financial year 2021-22.

SHARE CAPITAL

The Authorised share capital of the Company as on **31st day of March, 2022** stands at ₹ **18,00,00,000/-** comprising of **130,00,000** equity shares of ₹ **10/- each** and **50,00,000** preference shares of ₹ **10/- each**. The Paid up share capital of the Company as on **31st day of March, 2022** is ₹ **8,76,25,950/-**.



DIVIDEND:

In order to conserve resources, the Board does not recommend any dividend for the financial year 2021-22.

CORPORATE SOCIAL RESPONSIBILITY:

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.

The members have also decided to grant a certain percentage of the profit every year, starting from this Financial Year (FY 2022-23) to a society named **Society for Model Gram Bikash Kendra** to boost their ongoing social welfare activities.

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, 2021 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:

NAME	DIN/M.No.	DESIGNATION
Mr. Ganesh Chandra Modak	02805427	Managing Director
Mrs. Sukriti Mukhopadhyay	06706862	Director
Mrs. Sundari Modak	07242602	Director
Mrs. Maitrayee Banerjee	06666733	Independent Director
Mr. Gautam Sen	09198809	Independent Director
Mr. Pranab Kumar Saha	07693818	Independent Director
Ms. Arpita Dey	ACS50531	Company Secretary



Mr. Samir Kumar Chakraborty (DIN-07932587) has resigned from the Board of the Company with effect from 15th June, 2021 owing to ill health due to old age.

Mr. Gautam Sen (DIN- 09198809) and Mr. Pranab Kumar Saha (DIN- 07693818) have been appointed as Directors of the Company with effect from 23rd June, 2021. Both the directors are ex-bankers and have enriched experience to enable the Company to flourish further.

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 although not mandated by Companies Act.

COMMITTEES OF THE BOARD

Governance and leadership are the yin and the yang of a successful organization. Although, the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 are not applicable to the Company, the company to ensure good corporate governance has constituted the following Committees under aegis of the Board of Directors:

1.	Audit Committee
2.	Nomination & Remuneration Committee
3.	Grievance Redressal Committee
4.	Finance Committee
5.	Risk Management Committee

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. Mr. Samir Kumar Chakraborty, Director had resigned from the directorship of the Company thereby creating a vacancy in the Audit Committee. Hence, the Board members reconstituted the composition of the Audit Committee and filled the vacancy by inducting Mr. Gautam Sen and Mr. Pranab Kumar Saha as members of the Audit Committee. The Audit Committee comprise the following members:

SL.No.	NAME OF MEMBER	DESIGNATION
1.	Mrs. Maitrayee Banerjee	Chairperson
2.	Mrs. Sundari Modak	Member
3.	Mr. Gautam Sen	Member
4.	Mr. Pranab Kumar Saha	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 twice on 06th day of December 2021 and 19th day of February, 2022. The meeting of Audit Committee was scheduled to be held on 23.06.2021 and 06.10.2021 but the same was cancelled owing to unavailability of required quorum. 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 an 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 was re-constituted during the year and comprise the following members:

SL.No.	NAME OF MEMBER	DESIGNATION
1.	Mrs. Maitrayee Banerjee	Chairperson
2.	Mrs. Sukriti Mukhopadhyay	Member
3.	Mrs. Sundari Modak	Member
4.	Mr. Gautam Sen	Member

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

During the year, the Nomination & Remuneration Committee met four times on 21st day of June, 2021, 04th day of October, 2021, 04th day of December, 2021 and 30th day of March, 2022 respectively. 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. The Grievance Redressal Committee was reconstituted during the year owing to the resignation of Mr. Samir Kumar Chakraborty and comprises the following members:

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



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

During the year, the Grievance Redressal Committee met two times on 30th day of June, 2021 & 29th day of March, 2022. 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 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 constitution of the Committee.

During the year, the Finance Committee met seventeen times on 01st day of April, 2021, 28th day of June, 2021, 01st day of July, 2021, 13th day of July, 2021, 28th day of July, 2021, 31st day of July, 2021, 13th day of August, 2021, 30th day of August, 2021, 09th day of September, 2021, 28th day of September, 2021, 01st day of October, 2021, 23rd day of November, 2021, 31st day of December, 2021, 28th day of January, 2022, 10th day of February, 2022, 19th day of February, 2022 and 23rd day of March, 2022. 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. The Risk Management Committee comprises the following directors:

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



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 on 30th day of June, 2021 & 04th December, 2021. 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 23rd day of June, 2021, 06th day of October, 2021, 06th day of December, 2021, 19th day of February, 2022 and 30th day of March, 2022 respectively. 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, Mrs. Maitrayee Banerjee and Mr. Gautam Sen attended all the five meetings during the year. Mr. Pranab Kumar Saha attended three 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 a 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 2022.

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 Department headed and managed by competent, qualified and experienced personnel for identification, assessment and managing/mitigating risk related issues across the organization. For each of the risks identified in the process, corresponding controls are assessed, policies and procedure are put in place for monitoring, mitigating and reporting risks on a periodic basis.

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

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

The Company has not appointed any employee(s) in receipt of remuneration exceeding the limits specified under Rule 5 (2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

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 Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of 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, 2022, 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.

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.

An amount of ₹ 31,41,879/- 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).

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 provision of Cost audit as per section 148 doesn't apply on 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)	<i>The effort made towards technology absorption</i>	<i>Nil</i>
ii)	<i>The benefits derived like product improvement, cost reduction, product development or import substitution</i>	<i>Nil</i>
iii)	<i>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 b) the year of import; c) whether the technology has been fully absorbed if not fully absorbed, areas where absorption has not taken place, and the reasons thereof</i>	<i>Nil</i>
iv)	<i>the expenditure incurred on Research and Development</i>	<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.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES IN PURSUANCE TO SECTION 188 OF THE COMPANIES ACT, 2013

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 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 in form MGT-9 is annexed to this report.



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 2022 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: 07.06.2022



Sukriti Mukhopadhyay
Director
(DIN: 06706862)

Place: Kolkata
Date: 07.06.2022



SRB & Associates
CHARTERED ACCOUNTANTS

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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, 2022, 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, 2022, the profit and its cash flows for the year then ended.

Emphasis of Matter:

We draw attention to the financial results with related to COVID-19 that has caused significant disruptions in the business operations of companies across India and has caused significant accounting and auditing challenges. One such challenge being inability for the Company to recovery of Loans since Government imposed restrictions during the lockdown on account of health, travel and safety concerns.

The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statement and believes that the impact of COVID-19 is not material to these financial statement and expect to recover the NPAs. The impact to which the COVID-19 pandemic will impact the Company's provision on assets and future results will depend on the future developments. Hence the impact of the pandemic may be different from that estimated as at the date of approval of these financial results.

Basis for Opinion:

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



ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters:

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

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



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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be



communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. **A.** As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that :
 - 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, 2022, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2022, 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 as on 31st March 2022.
- b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses during the year ended 31st March 2022.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Kolkata
Date: 07/06/2022



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

Sunil Shah
Partner

M. No. 052841
UDIN:22052841AKZSCK8052



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 PRIVATE LIMITED".

We have audited the internal financial controls over financial reporting of "GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED". as of March 31, 2022 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 control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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: 07/06/2022



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

Sunil Shah
Partner

M. No. 052841
UDIN: 22052841AKZSCK8052



Annexure A to the Independent Auditor's report on the standalone financial statements of GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED for the year ended 31 March 2022

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is a Non Banking Financial Company (NBFC-MFI) engaged in micro finance activities. The company's business does not involve inventory; accordingly provision of clause 3(ii) of the order are not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.



(iii) (a) The Company is a Non Banking Financial Company (NBFC-MFI) engaged in micro finance activities and its principal business is to give loans. Accordingly provisions of clause 3(iii)a is not applicable to the Company.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and there payments or receipts have been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is Rs.54.90 lacs overdue amount for more than ninety days in respect of loans given. The company is taking reasonable steps to recover the amount.

(e) Since the Company's principal business is to give loan, clause 3(iii)(e) is not applicable.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has complied Section 185 and Section 186 of the Companies Act, 2013 in respect of loans granted, investment made and guarantee or security given.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii)(a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.



(b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following:

Name of Statues	Nature of dues	Amount in Lakhs	Period	Forum where dispute is pending
The Income Tax Act 1961	Income Tax	Rs.280.56	A.Y.2017-2018 (F.Y.2016-2017)	Commissioner of Income Tax Appeal.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted any loans or borrowings and interest thereon to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company Terms loans obtained are applied for the purposes which it was obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis has been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential



allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under 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, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements (refer note-22) as required by the applicable Accounting Standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained registration vide registration no- B.05.03123.

(b) The company was classified as NBFC-MFI by the Reserve Bank of India and was engaged in micro finance activities during the year.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any Group. Accordingly, clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.



(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

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

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

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

Place: Kolkata
Date: 07/06/2022



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

Sunil Shah
Partner
M. No. 052841
UDIN: 22052841AKZSCK8052



GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

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

BALANCE SHEET AS AT	Note	31ST MARCH, 2022	31ST MARCH, 2021
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	8,76,25,950	8,76,25,950
Reserves & Surplus	4	4,88,71,967	3,31,62,570
		13,64,97,917	12,07,88,520
NON-CURRENT LIABILITIES			
Long Term Borrowings	5	13,00,57,860	6,31,06,111
Deferred Tax Liability (Net)		17,23,297	9,65,587
		13,17,81,157	6,40,71,698
CURRENT LIABILITIES			
Short Term Borrowings	6	29,66,11,356	28,20,06,653
Trade Payables	7	-	-
-Total outstanding dues of micro enterprises and small enterprises		-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		42,85,523	19,91,610
Other Current Liabilities	8	30,52,367	48,71,532
Short term provisions	9	1,05,66,140	2,21,03,500
		31,45,15,386	31,09,73,295
TOTAL		58,27,94,460	49,58,33,513
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment and Intangible assets	10		
-Tangible Assets		25,72,095	18,90,964
-Intangible Assets		75,534	1,88,836
Long Term Loans and Advances	11	15,71,04,273	14,08,13,200
		15,97,51,902	14,28,93,000
CURRENT ASSETS			
Cash and Cash Equivalents	12	1,04,75,212	34,66,976
Short term loans and advances	13	38,51,66,201	32,82,79,477
Other current assets	14	2,74,01,145	2,11,94,060
		42,30,42,558	35,29,40,513
TOTAL		58,27,94,460	49,58,33,513

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: 22052841AKZSCK8052
Date : 07/08/2022
Place:Kolkata








For and on behalf of the Board of Directors

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				
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED		31ST MARCH, 2022	31ST MARCH, 2021	
	Note			
Revenue from Operations	15	8,75,26,716	10,98,35,198	
Other Income	16	1,13,49,825	31,49,246	
Total Revenue		9,88,76,541	11,29,84,444	
EXPENSES				
Finance Cost	17	4,58,45,471	5,79,12,359	
Employee Benefits Expenses	18	1,77,13,228	1,67,89,546	
Administrative Expenses	19	1,24,40,104	1,08,54,062	
Depreciation		10,63,737	10,69,300	
Provisions and write offs	20	29,84,047	1,93,94,807	
Total Expenses		8,00,46,587	10,60,20,074	
Profit before Tax		1,88,29,954	69,64,370	
Tax Expenses:				
(1) Current Tax		23,62,847	47,05,881	
(2) Deferred Tax (Assets)/Liabilities		7,57,710	4,16,197	
(3) Tax of Earlier Years				
Total Tax Expenses		31,20,557	51,22,078	
Profit for the Year		1,57,09,397	18,42,292	
Earning Per Equity Share				
(1) Basic		1.79	0.33	
(2) Diluted		1.79	0.33	
Significant Accounting Policies and Notes 1 & 2				
The accompanying notes are forming an integral part of these Financial Statements				
For SRB & Associates		For and on behalf of the Board of Directors		
Chartered Accountants				
Firm Registration No. 310009E				
 Sunil Shah (Partner) M. No.052841 UDIN: 22052841AKZSCK8052 Date : 07/06/2022 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		
CASH FLOW STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022		
Particulars	2021-22 ₹	2020-21 ₹
Cash Flow From Operating Activities :		
Profit Before Tax and extraordinary items	1,88,29,954	69,64,370
Adjustments for :		
Provisions for loan loss	29,84,047	1,93,94,807
Provisions for Gratuity	2,47,330	-
Depreciation	10,63,737	10,69,300
Operating Profit Before Working Capital Changes	2,31,25,068	2,74,28,477
(Increase)/Decrease in Micro Finance Loans	(6,58,33,661)	11,09,59,155
(Increase)/Decrease in Other Loans	(35,92,397)	1,19,26,637
(Increase)/Decrease in Other Current Assets	(62,07,085)	60,60,251
Increase/(Decrease) in Trade Payables & Liabilities	(42,31,133)	(6,91,01,698)
Adjustment Bad debts and Provisions	(1,24,25,703)	(76,61,301)
Net Cash Provided By/(Used In) Operating Activities (A)	(6,91,64,911)	7,96,11,521
Cash Flow From Investing Activities		
Purchases of Fixed Assets	16,31,566	5,68,107
Term Deposit	37,51,739	(81,71,805)
Sale of Investments	-	-
Net Cash Provided By/(Used In) Investing Activities (B)	53,83,305	(76,03,698)
Cash Flow From Financing Activities :		
Increase in Borrowings	8,15,56,452	(9,06,51,205)
Proceeds From Issuance of Share Capital	-	11,25,000
Share Premium	-	34,42,500
Net Cash Provided By/(Used In) Financing Activities (C)	8,15,56,452	(8,60,83,705)
Net Increase In Cash And Cash Equivalents (A-B+C)	70,08,236	11,31,514
Cash And Cash Equivalents At The Beginning of The Year	34,66,976	23,35,463
Cash And Cash Equivalents At The End of The Year	1,04,75,212	34,66,977
Cash And Cash Equivalents Comprises of :		
1. Cash In Hand	9,58,657	21,05,678
2. Balances With Scheduled Banks	45,16,555	13,61,298
2. Fixed Deposits	50,00,000	-
	1,04,75,212	34,66,976
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: 22052841AKZSCK8052  Date: 07/06/2022 Place: Kolkata	For and on behalf of the Board of Directors  Ganesh Chandra Modak Managing Director DIN: 02805427  Sukriti Mukhopadhyay Director DIN: 06706862  Arpita Dey Company Secretary M No.-ACSS0531	



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

Note-2

SIGNIFICANT ACCOUNTING POLICIES:

2.01 Basis of Preparation of Financial Statements

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



Audited Financial Statements as on 31 March, 2022



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. 2021-22	Estimated Provision adopted in F.Y. 2020-21
Current Assets	-	0.40%	0.40%	0.40%
Standard Assets	Upto 90 days	0.40% to 1%	0.50%	5% to 10%
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 March, 2022



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 PERIOD ENDED MARCH 31, 2022:

Note-3:

SHARE CAPITAL

Particulars	31ST MARCH, 2022	31ST MARCH, 2021
AUTHORISED		
130,00,000 (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		
87,62,595 no (P.Y. 87,62,595) Issued Equity shares of ₹ 10/- each	8,76,25,950	8,76,25,950
SUBSCRIBED AND PAID UP		
87,62,595 no (P.Y. 87,62,595) paid up Equity shares of ₹ 10/- each	8,76,25,950	8,76,25,950
	8,76,25,950	8,76,25,950

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 31/03/22		As on 31/03/21	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Ganesh Chandra Modak	21,54,190	24.58%	21,54,190	24.58%
Manasrovar Daltrade Pvt Ltd.	16,78,400	19.15%	16,78,400	19.15%
Initiator Dealcom Pvt Ltd.	16,72,500	19.09%	16,72,500	19.09%
Jeebika Business Promotional Initiative Pvt Ltd.	15,79,975	18.03%	15,79,975	18.03%
Sundari Modak	8,07,600	9.22%	8,07,600	9.22%

The reconciliation of number of Equity Shares is set out below

Particulars	31ST MARCH, 2022	31ST MARCH, 2021
Number of Shares at the beginning	87,62,595	16,40,019
Add: Issue of Equity Shares during the Year	-	71,22,576
Number of shares at the end	87,62,595	87,62,595

Shares Held by the Promoters at the end of the year

Particulars	No of Shares	% of Total Shares	% of change during the year
1. Ganesh Chandra Modak	21,54,190	24.58%	-
2. Sundari Modak	8,07,600	9.22%	-

Note-4

RESERVES & SURPLUS

Particulars	31ST MARCH, 2022	31ST MARCH, 2021
A. Securities Premium		
Opening Balance	-	3,91,37,496
Received During the Year	-	34,42,500
Less: Utilised during the year for Bonus Share	-	4,25,79,996
	-	-
B. Statutory Reserve		
Opening Balance	1,21,41,658	1,17,73,200
Add: Transfer from Surplus	31,41,879	3,68,458
	1,52,83,537	1,21,41,658
According to Section 45-1C 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	2,10,20,912	4,70,67,842
Add: Profit for the Year	1,57,09,397	18,42,292
Amount available for appropriation	3,67,30,309	4,89,10,134



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Appropriation :			
Transfer to Statutory Reserve		31,41,879	3,68,458
Issue of Bonus Share		-	2,75,20,764
Surplus - Closing Balance		3,35,88,430	2,10,20,912
TOTAL (A+B+C)		4,88,71,967	3,31,62,570
Note-5	Long Term Borrowings		
	Particulars	31ST MARCH, 2022	31ST MARCH, 2021
		₹	₹
	Punjab National Bank	9,66,66,667	
	Canara Bank	4,16,66,811	
	Union Bank of India	2,86,61,672	2,77,59,325
	Small Industries Development Bank of India (SIDBI)	10,00,000	1,30,00,855
	Micro Unit Dev. & Refinance Agency (MUDRA)	49,06,600	2,64,86,200
	NABARD	1,20,00,000	
	State Bank of India (CCECL)	11,12,659	77,77,776
	Arohan Financial Services Ltd.	44,94,685	-
	Friends of WWB (Sanitation)	3,63,18,909	3,03,20,651
	Friends of WWB (Solar)	1,89,70,587	75,00,000
	Friends of WWB (IGL)	34,78,255	86,95,651
	Ananya Finance for Inclusive Growth Pvt Ltd.	25,83,327	2,44,58,336
	Join Sons Finlease Ltd. (Intellegrow)	-	62,64,957
	Electronica Finance Ltd.	2,05,34,176	1,75,00,000
	Ecicar Leasing & Finance Pvt. Ltd.	-	28,29,821
	Samunnati Financial	3,16,48,830	4,23,01,669
	Kashi Vishwanatha Vidya Samsthe	70,05,167	2,43,33,459
	Union Bank of India (Car Loan)	7,04,718	8,27,319
	Punjab National Bank (Car Loan)	7,43,580	
	(Secured against hypothecation of book debts and personal guarantee of Managing Director)		
	Sub Total	31,24,96,643	24,00,56,019
	Less: Current Maturities of long term borrowings disclosed under the head short term borrowings (Please refer note no-6)	18,24,38,783	17,69,49,908
	Total	13,00,57,860	6,31,06,111
Note-6	Short Term Borrowings		
	Particulars	31ST MARCH, 2022	31ST MARCH, 2021
		₹	₹
	State Bank of India (Cash Credit)	9,98,75,086	9,67,03,745
	Ananya Finance for Inclusive Growth Pvt Ltd. (OD)	-	65,00,000
	Ananya Finance for Inclusive Growth Pvt Ltd.	28,88,890	
	Kashi Vishwanatha Vidya Samsthe	1,14,08,597	18,53,000
	Current maturities of Long term borrowings	18,24,38,783	17,69,49,908
	(Secured against hypothecation of book debts and personal guarantee of Managing Director)		
	- Total	29,66,11,356	28,20,06,653
Note-7	Trade payables		
	Particulars	31ST MARCH, 2022	31ST MARCH, 2021
		₹	₹
	Liability for Expenses	35,66,169	19,65,722
	Payable to BC Partners	4,87,421	-
	Group Insurance Premium	2,31,933	25,888
	Total	42,85,523	19,91,610



Audited Financial Statements as on 31 March, 2022



GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

Additional disclosure					
Total outstanding dues of micro enterprises and small enterprises				-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises				42,85,523	19,91,610
Total				42,85,523	19,91,610
Ageing schedule of Trade Payables					
	< 1 year	1-2 years	2-3 Years	More than 3 Years	Total
a. MSME	-	-	-	-	-
b. Others	42,59,530	-	-	25,993	42,85,523
c. Disputed dues of MSME	-	-	-	-	-
d. Disputed dues -Others	-	-	-	-	-
Sub Total-A	42,59,530	-	-	25,993	42,85,523
e. Unbilled amount	-	-	-	-	-
Sub Total-B	-	-	-	-	-
Total (A+B)	42,59,530	-	-	25,993	42,85,523
Note-8 Other Current Liabilities					
Particulars				31ST MARCH, 2022	31ST MARCH, 2021
				₹	₹
Statutory Liabilities				7,33,246	20,76,726
Interest Accrued but Not due				23,19,121	27,94,806
Total				30,52,367	48,71,532
Note-9 Provisions					
Particulars		Long Term		Short Term	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
Provision for Portfolio Loan Assets:					
Contingent Provision against Standard Assets		-	-	50,18,503	44,43,135
Non Performing Loans		-	-	77,283	-
Provision against Standard assets as on 29.02.2020 (Please refer Note 21A) against which moratorium granted due to COVID-19.		-	-	-	2,34,146
Provision against Standard assets as on 1.03.20 (Please refer Note 21B) against Re-structure of loan due to COVID-19.		-	-	28,60,178	1,27,20,338
Total		-	-	79,55,963	1,73,97,619
Others					
Provision for Gratuity		-	-	2,47,330	-
Provision for Taxation		-	-	23,62,847	47,05,881
Total		-	-	1,05,66,140	2,21,03,500



Audited Financial Statements as on 31 March, 2022



GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

Note-10: Property, plant and equipment

Tangible:						Figures in ₹
Cost or Valuation	Office Equipments	Motor car	Computer & Accessories	Furniture & Fixtures and Equipments	Mobile Phone	Total
As at 31st March 2021	6,15,439	8,12,803	14,08,945	5,68,793	7,28,081	41,34,061
Additions	4,09,715	8,05,904	2,68,712	1,47,235	-	16,31,566
Disposals	-	-	-	-	-	-
As at 31.03.2022	10,25,154	16,18,707	16,77,657	7,16,028	7,28,081	57,65,627
Depreciation						
As at 31st March, 2021	2,19,899	2,46,170	10,59,007	1,60,343	5,57,678	22,43,097
Charge For the Period	1,40,710	1,08,277	4,70,293	60,752	1,70,403	9,50,435
Disposals	-	-	-	-	-	-
As at 31 Mar, 2022	3,60,609	3,54,447	15,29,300	2,21,095	7,28,081	31,93,532
Net Block as on 31st March, 2022	6,64,545	12,64,260	1,48,357	4,94,933	-	25,72,095
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

Intangible:		
Cost or Valuation	Software	Total
As at 1st April 2021	1,88,836	1,88,836
Additions	-	-
Less amortisation	1,13,302	1,13,302
As on Mar 31, 2022	75,534	75,534
As on 31st March, 2021	-	1,88,836

Note-11: Long Term Loans & Advances

Particulars	31ST MARCH, 2022	31ST MARCH, 2021
	₹	₹
Security Deposit and margin money with Lenders (Banks, Non banking financial companies and Financial Institutions)	2,40,96,607	2,03,44,868
Loan Portfolios		
Considered Good	13,30,07,666	12,04,68,332
Considered doubtful	-	-
Total	15,71,04,273	14,08,13,200

Note-12: Cash and cash equivalents.

Particulars	31ST MARCH, 2022	31ST MARCH, 2021
	₹	₹
(a) Balances with banks	45,16,555	13,61,298
(b) Cash on hand	9,58,657	21,05,678
(c) Fixed Deposit with Banks	50,00,000	-
Total	1,04,75,212	34,66,976



Audited Financial Statements as on 31 March, 2022



GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

Note-13: Short Term Loans and Advances:

Particulars	31ST MARCH, 2022 ₹	31ST MARCH, 2021 ₹
(i) Micro Finance Loans		
Opening Balance	44,43,13,508	55,47,04,043
Add: Loan Disbursed	60,61,94,952	27,62,89,564
Sub-Total	1,05,05,08,460	83,09,93,607
Less: Realised	47,28,45,367	37,90,18,798
Less: Baddebt Written off	1,24,25,703	76,61,301
Assets under Management (AUM)	56,52,37,390	44,43,13,508
Less: BC Portfolio	5,56,58,841	5,68,620
Own Portfolio	50,95,78,549	44,37,44,888
Less: Non Current Portfolio	13,30,07,666	12,04,68,332
Total Portfolio Loan	37,65,70,883	32,32,76,556
(i) Considered Good	37,64,16,317	32,32,76,556
Considered doubtful	1,54,565	-
(ii) Loans to others (Unsecured)	7,32,336	5,03,530
(iii) Advance Income Tax	75,69,855	42,71,730
(iv) TDS Receivable	2,93,127	2,27,661
Total	38,51,66,201	32,82,79,477

Note-14: Other current assets

Particulars	31ST MARCH, 2022 ₹	31ST MARCH, 2021 ₹
Security Deposit and margin money with Lenders (Banks, Non banking financial companies and Financial Institutions)	1,76,94,614	1,27,54,184
Security Deposits	67,500	67,500
GST Input	4,16,943	6,07,482
Corpus to Sadhan	1,10,000	55,000
Corpus to AMFI	9,000	9,000
Claim receivable from Insurance Companies	-	62,317
Receivable from funding Agencies	12,38,624	16,76,183
Receivable from BC Partners	8,14,117	-
Interest accrued on Loan Portfolio	70,50,347	59,62,394
Total	2,74,01,145	2,11,94,060

Note-15: Revenue from operations

Particulars	31ST MARCH, 2022 ₹	31ST MARCH, 2021 ₹
Interest on Loan. (Refer Note (i) below)	8,23,27,941	10,90,40,818
Other Financial Charges (LPF)	51,98,775	7,94,380
Total	8,75,26,716	10,98,35,198
Particulars	31ST MARCH, 2022 ₹	31ST MARCH, 2021 ₹
i) Interest on Loan comprises:		
a) Interest on Micro Finance Loan	8,23,27,941	10,90,40,818
Total	8,23,27,941	10,90,40,818
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, 2022 ₹	31ST MARCH, 2021 ₹
Interest on Security Deposit	22,95,077	25,45,405
Interest on Term Deposit	2,00,774	-
Commission on BC	12,40,497	29,297
Prov. (for Gratuity) Written back	-	4,44,972
Bad Debt Recovery	74,06,655	-
Incentive from TOP	1,41,900	-
Miscellaneous	64,922	1,29,572
Total	1,13,49,825	31,49,246



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GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

Note-17:	Finance Cost		
	Particulars	31ST MARCH, 2022	31ST MARCH, 2021
		₹	₹
	Interest on Borrowings	4,16,47,595	5,59,73,695
	Documentation Charges	6,75,694	5,25,889
	Loan Processing charges	35,22,182	14,12,775
	Total	4,58,45,471	5,79,12,359
Note-18:	Employee benefit expenses		
	Particulars	31ST MARCH, 2022	31ST MARCH, 2021
		₹	₹
	Salaries, Wages & Bonus etc.	1,40,16,726	90,37,226
	Remuneration to Managing Director	24,00,000	24,00,000
	Remuneration to other Director	10,49,172	7,94,292
	Gratuity	2,47,330	1,30,028
	Issue of Sweat Equity shares	-	44,28,000
	Total	1,77,13,228	1,67,89,546
	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.		
Note-19:	Administrative expenses		
	Particulars	31ST MARCH, 2022	31ST MARCH, 2021
		₹	₹
	Audit Fees	75,000	75,000
	Printing & Stationery	3,98,958	2,99,129
	Rent	28,85,870	30,79,570
	Advertisement & Publicity	10,470	40,000
	Travelling and Conveyance	28,57,839	20,04,134
	Communication Expenses	2,41,349	1,63,555
	Miscellaneous Expenses	92,732	46,136
	Professional Fees	7,15,050	1,58,500
	Insurance Premium	99,521	6,94,154
	Rates & Taxes	6,27,409	12,37,266
	Electricity Charges	2,27,798	2,04,518
	Client Welfare	2,66,803	2,17,575
	Bank Charges	2,23,416	1,38,182
	Consultancy Fees	6,05,654	3,000
	Members welfare expenses	65,092	62,618
	Membership fee	1,02,500	1,27,000
	Meeting Exp.	94,875	99,173
	Sitting Fees to Directors	1,99,000	1,01,000
	Office Exp.	8,80,736	4,87,655
	Rating & Grading Exp.	2,29,163	2,62,000
	MFI Report Charges	48,183	40,603
	Legal Expenses	3,50,582	58,476
	Software Maintenance exp.	4,47,160	3,28,800
	Filing Fees	6,94,944	9,26,018
	Total	1,24,40,104	1,08,54,062
Note-20:	Provisions for Loan Loss		
	Particulars	As at 31st March, 2022	As at 31st March, 2021
		₹	₹
	Provision for Loan Loss on Standard Asset	5,75,368	(10,35,966)
	Provision for Loan Loss on Doubtful and Loss Assets	77,283	(67,939)
	Provision for Regulatory Package of COVID 19	(2,34,146)	1,17,073
	Provision for Regulatory Package of COVID 19	(98,60,160)	1,27,20,338
	Total Provision for Loan Loss	(94,41,656)	1,17,33,506
	Portfolio Loan Written off	1,24,25,703	76,61,301
	Total	29,84,047	1,93,94,807



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GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

Note-21: Classification of Portfolio Loan on age basis

Particulars	Estimated Provisions Adopted by the Company	As at 31 March, 2022			As at 31 Mar, 2021	
		Principal	Overdue	Provision Amount	Principal	Provision Amount
Current	0.40%- 1%	43,39,44,771	-	46,41,107	29,19,15,616	36,81,146
Upto 90 days	0.50%	7,54,79,212	95,90,232	3,77,396	15,23,97,892	7,61,989
91 to 179 days	50%	1,54,565	17,69,332	77,283	-	-
180 days or more	100%	-	-	-	-	-
Total		50,95,78,549	1,13,59,564	50,95,785	44,43,13,508	44,43,135
1% Provision on outstanding loan portfolio		50,95,78,549		50,95,785	44,43,13,508	44,43,135
*Subject to 1% Whichever is Higher				50,95,785		44,43,135

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

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

Particulars	Principal as on 31.03.2021	Provision Amount (₹)	Provision Amount reversed (₹)	Total Provision (10%)
	₹	₹	₹	₹
Principal outstanding of all standard but overdue accounts (DPD 1 to 89 days)	23,41,452	2,34,146	2,34,146	-
Total	23,41,452	2,34,146	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

Additional Disclosure

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

As on 31.3.2021

Type of Borrower	Number of accounts where resolution plan has been implemented under this window (A)	exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
Personal Loans	6,317	25,35,24,778	-	-	2,53,52,478
Corporate Persons of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	6,317	25,35,24,778	-	-	2,53,52,478

As on 31.3.2022

Type of Borrower	Number of accounts where resolution plan has been implemented under this window (A)	exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
Personal Loans	1,265	2,83,71,578	-	-	28,37,158
Corporate Persons of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	1,265	2,83,71,578	-	-	28,37,158



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GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

Note-22: Loan Portfolio managed as a Business Correspondent.

During the Period, the Company has engaged as a business correspondent of Ananya Finance for inclusive Growth Pvt. Ltd. and Monexo Fintech Pvt. Ltd. Details are given below.

Particulars	No of Accounts	As at 31 March, 2022	As at 31 Mar, 2021
		₹	₹
Opening Balance		5,68,620	-
Amount disbursed		6,88,99,000	8,50,000
Total		6,94,67,620	8,50,000
Amount collected		1,38,08,779	2,81,380
Outstanding Portfolio		5,56,58,841	5,68,620

Note-23: Income as Business Correspondent

Particulars	As at 31 March, 2022	As at 31 Mar, 2021
	₹	₹
Commission Received from Monexo	6,43,801	-
Commission Received from Ananya Finance	5,82,533	-
Commission Received from Antworks	14,163	29,297
	12,40,497	29,297

Note-24: 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	31.03.2022	31.03.2022	31.03.2021	31.03.2021
	Transaction Value	Outstanding	Transaction Value	Outstanding
i) Ganesh Chandra Modak				
Remuneration	24,00,000	2,00,000	24,00,000	2,00,000
Sweat Equity share	-	-	44,28,000	-
Rent	3,72,000	-	4,80,000	-
ii) Sukriti Mukhopadhyay				
Remuneration	10,49,172	89,231	7,94,292	66,191
iii) Sundari Modak				
Rent	7,20,000	-	7,25,000	-

Note-25: Earning Per Share

Particulars	For the period ended 31 Mar, 2022	For the period ended 31 Mar, 2021
	₹	₹
Net Profit after Tax	1,57,09,397	18,42,292
Weighted Average Number of Shares	87,62,595	55,17,854
Earning Per Share (Basic/Diluted)	1.79	0.33
Nominal Value Per Share	Rs.10/-	Rs.10/-

Note-26: Segment Reporting

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

Note-27: 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.



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GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

Note-28:

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 Outstanding
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		42,53,58,927	42,53,58,927
d. Inter-corporate loans and borrowing		Nil	Nil
e. Commercial paper		Nil	Nil
f. Public Deposits		Nil	Nil
g. Other Loans (Cash Credit facility)		9,67,03,745	9,67,03,745
Total		Nil	Nil
2 Break-up of (1)(f) above (Outstanding public deposits Inclusive of interest accrued thereon but not paid) :		Amount Outstanding	Amount Outstanding
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)			50,95,78,549
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
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



Audited Financial Statements as on 31 March, 2022



GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

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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	50,95,78,549	50,95,78,549

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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

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Other Information:

Particulars	
I. Gross Non-performing Assets	
a.Related parties	1,54,565
b.Other than related parties	Nil
II Net Non-performing Assets	
a.Related parties	77,283
b.Other than related parties	Nil
III Assets acquired in satisfaction of debt	Nil

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 (CRAR)	28.35%
i. CRAR-Tier-I Capital %	26.79%
ii.CRAR-Tier-II Capital %	1.56%
2.Investment	Nil
3.Derivatives	
i) Forward Rate Agreement/ Interest Rate Swap	
ii) Exchange Traded Interest Rate (IR) Derivatives	
iii) Disclosure of 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	
ii) Details of financial assets sold to securitisation/Reconstruction company for asset	
iii) Details of Assignment transactions undertaken by NBFCs	The Company has not assigned / securitised any loan portfolio.
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 2022.	



Audited Financial Statements as on 31 March, 2022



GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

Particulars	up to 30/31 days	over one month to 2 months	over 2 months to 3 months	over 3 Months upto 6 months	over 6 Months upto 1 year
Deposits					
Advances	3,20,84,445	3,17,80,780	3,15,35,936	9,04,30,589	19,67,29,147
Investments	1,35,91,004	44,87,679	19,01,999	38,29,279	62,15,027
Borrowings	2,52,14,541	1,75,38,932	1,58,95,549	4,19,73,459	7,68,23,166
Difference	2,04,60,908	1,87,39,527	1,74,42,386	5,20,86,409	12,01,21,008

Particulars	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits	-	-	-	-
Advances	18,86,66,806	-	-	58,52,37,405
Investments	2,20,68,979	-	-	5,17,93,067
Borrowings	24,92,23,568	-	-	42,66,65,216
Difference	(3,84,88,581)	-	-	19,03,62,157

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

7. Exposure

- i) Exposure to Real estate sector
ii) Exposure to Capital Market.

The Company has no exposure to real estate and Capital Market directly or indirectly.

8. Details of Financing of parent company products:

- i) Details of single borrower limit (SGL) / Group Borrower limit (GBL) exceeded by NBFC

Single borrower limit (SGL)/ Group Borrower Limit (GBL) has not exceeded by the Company.

ii) Unsecured Advances

Portfolio Loan of Rs 50,95,78,549

9. Miscellaneous

- i) Registration obtained from other financial sector regulators
ii) Disclosure of Penalties imposed by RBI and other regulators

Ministry of Corporate affairs
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+ by Acuite Rating & Research

v) Remuneration of Directors

Refer Note No-18

- vi) Net profit or loss for the period, prior period items and changes in accounting policies

Nil

vii) Revenue Recognition

Refer Note No-2, D6.

10. Additional Disclosures

- i) Provisions and contingencies
ii) Draw Down from Reserves
iii) Concentration of Deposits, Advances, Exposures and NPAs
a) Concentration of deposit (for Deposit taking NBFCs)
b) Concentration of Advances
c) Concentration of Exposure
d) Concentration of NPAs
iv) Overseas Assets (for those Joint Ventures and Subsidiaries abroad) as per accounting norms.

Refer Note No-20 & 21
Nil

Not applicable as the Company is NBFC-ND-NSI.

Refer Note No-27B.

Refer Note No-27C.

Refer Note No-27D.

The NBFC has not any overseas Assets.

Not applicable as the Company has not any SPVs.

11. Disclosure of Complaints

The company has not received any complaint during the Year.

Note- 29A: Breakup of Provisions and contingencies shown under the head Expenditure in Profit and Loss Statement.

Particulars	31ST MARCH, 2022	31ST MARCH, 2021
Provision for Income Tax	23,62,847	47,05,881
Provision for Gratuity	2,47,330	-
Provision towards NPA	77,283	-
Provision for Standard Assets	78,78,681	1,73,97,619

Note- 29B: Concentration of Advances

Particulars	31ST MARCH, 2022	31ST MARCH, 2021
Total Advances to twenty Largest borrowers	12,00,000	12,00,000
Percentage of total Advances to twenty Largest borrowers to total advance of the NBFC	0.24%	0.27%

Note- 29C: Concentration of Exposures



Audited Financial Statements as on 31 March, 2022



GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED

Particulars		31ST MARCH, 2022	31ST MARCH, 2021
Total Advances to twenty Largest borrowers		12,00,000	12,00,000
Percentage of total Advances to twenty Largest borrowers to total advance of the NBFC		0.24%	0.27%
Note-29D: Concentration of NPA'S			
Particulars		31ST MARCH, 2022	31ST MARCH, 2021
Total Exposure to top four NPA accounts		2,32,198	-
Note- 29E: Average rate of Interest, cost of borrowing and Margin			
Particulars		31ST MARCH, 2022	31ST MARCH, 2021
Average Interest(a)		18.01%	21.63%
Average cost of borrowing(b)		12.15%	13.86%
Margin(a-b)		5.86%	7.77%
Note- 30: Additional Disclosure			
According Ministry of Corporate Affairs (MCA) had introduced changes in Schedule III to the Companies Act, 2013 vide its notification G.S.R. 207(E) dated 24th March, 2021, the following disclosures are given.			
i) Diversion of funds borrowed from banks and financial institutions			
During the year the Company has not diverted any borrowings from banks and financial institutions and have deployed the same for the specific purpose for which they were availed.			
ii) Realisable value of assets			
The Company is engaged in Micro Finance activities. Hence recoverability of the assets are assessed periodically. Kindly refer note 21.			
iii) Immovable properties not held in the name of company.			
The Company does not have Immovable properties for the reporting period			
iv) Revaluation of Property, Plant and Equipment and intangible assets.			
The management revalues its Property, Plant and Equipment and intangible assets on periodic interval.			
v) Loans or Advances granted to Promoters, Directors, KMPs and Related Parties			
During the period the Company has not granted any Loans or Advances to Promoters, Directors, KMPs and Related 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.			



Audited Financial Statements as on 31 March, 2022



GRAMEEN SHAKTI MICROFINANCE SERVICES PRIVATE LIMITED


ix	Ratio Analysis	Numerator	Denominator	March 31st 2022	March 31st 2021
a	Current Ratio	Total Current Assets	Total Current Liabilities	1.35	1.13
b	Debt Equity Ratio	Debt Consisting of borrowings	Total Equities	3.13	2.86
c	DSCR Ratio	PBDIT+Loan Installment Collected	Principal+Interest to Lenders	1.77	1.31
d	Return on Equity Ratio	Profit after Tax	Average Equity Share Capital	12.21%	3.34%
e	Inventory turnover Ratio	N.A.	N.A.	N.A.	N.A.
f	Trade Receivables turnover Ratio	N.A.	N.A.	N.A.	N.A.
g	Trade Payable turnover Ratio	N.A.	N.A.	N.A.	N.A.
h	Net Capital Turnover Ratio	Revenue from operations	Average working Capital	29.08%	0.00%
i	Net Profit Ratio	Profit for the Year	Revenue from operations	17.95%	1.68%
j	Return on Capital Employed	EBIT	Capital Employed	11.48%	13.92%
k	Return on Investment	N.A.	N.A.	N.A.	N.A.

Note- 31: **General**
Previous year figures have been regrouped/rearranged where necessary to conform to this year's classification.

For SRB & Associates

Chartered Accountants

Firm Registration No. 3100095



Sunil Shah
(Partner)

M. No.052841

UDIN: 22052841AKZSCK8092

Date : 07/06/2022

Place:Kolkata



For and on behalf of the Board of Directors


Ganesh Chandra Modak

Managing Director

DIN: 02805427


Sukriti Mukhopadhyay

Director

DIN: 06706862


Arpita Dey
Company Secretary
M No-AC550531

Audited Financial Statements as on 31 March, 2022







GRAMREEN SHAKTI MICROFINANCE SERVICES PVT.LTD.

(An NBFC- MFI Company)

CIN NO.: U51434WB1993PTC058849 RBI Reg. No. B - 05.03123

LEII Certificate No.: 335800VC8E8NXPEE1Q79

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