



**GRAMEEN
DEVELOPMENT &
FINANCE PVT LTD**

-Supporting sustainable livelihood

ANNUAL REPORT 2018 - 2019



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Performance at a glance as on March 2019

Indicators		Indicators	
No of states	4	Outstanding per field executive (in Lakhs)	73.07
No of districts	13	Outstanding per branch (in Lakhs)	237.47
No of villages/wards	1399	Operational Self Sufficiency	109
No of field staff	78	Financial Self Sufficiency	109
No of total staff	134	Yield on Portfolio	23.91
No of centres	1286	Net profit (in Lakhs)	51.92
No of groups	2910	Capital Adequacy Ratio	19.84
No of borrowers	23871	Net Owned Fund	842.89
Loan disbursed during the years(in Lakhs)	6811.34	TOL/TNW	5.76
Loan portfolio (in Lakhs)	5699.32	Debt Equity Ratio	5.64
Ontime repayment rate	99.64	Operational Expenses Ratio	9%
Portfolio At Risk PAR>30Days	0.46		
Borrowers per field executive	306		

“If you salute your work, you do not have to salute anybody. If you pollute your work you have to salute everybody”-

APJ Abdul Kalam



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Some people dream of success, while other get up every morning and make it happen

- Wayne Huizenga





We exist

To transform and uplift the lives of poor and low-income families with micro-financial Services and other development assistances.

To be a sustainable, friendly and trusted Provider of affordable and need-based Financial Services.

Objectives:

- To Improve the pace and quality of life of the rural and urban poor especially the village and decentralized sector.
- To focus attention on the women, children, scheduled castes, scheduled tribes, minorities and other backward communities for economic self-sustenance.
- To create, develop and support self-employment avenues for the educated unemployed rural and urban youth.
- To build social capital that will be used by the community and for the community.
- To Utilize optimally all the available natural, social, economic and other resources for the wellbeing of the community.



MISSION:

To provide quality, customer responsive service and facilitate technical services to the poor and the under-served in order to support sustainable livelihood. In doing so Grameen Development and Finance Pvt Ltd, the micro finance services will strive to emerge as a self-sustaining and robust financial institution

VISION:

To emerge as the most preferred MFI supporting Tree hundred thousand livelihoods in the N.E. region of India by 2025.

“Microfinance recognizes that poor people are remarkable reservoirs of energy and knowledge, posing an untapped opportunity to create markets, brings the tools with which to help themselves” Kofi Annan



“A spirit with a vision is a dream with a mission” - Neil Peart





VALUES:



GDFPL works with highest transparency and accountably. We as a company and as a team are committed on quality Service delivery We Utilize expertise to maximize effects vide professional delivery. Respect, care and ethical practices are integrated with our business practices. We have strong desire to serve People with honesty in every action adhering to rules, systems and processes of the organization



Starting from scratch a lady has become an entrepreneur and supports the family income for better quality life



25,000 women entrepreneurs have been supported from four states in the NER of India. Vision is to reach 2,50,000 Families covering 12,50,000 Lives

The first Sustainable development goal is a global society with no poverty. Microfinance is an emerging phenomenon that opens access to capital for individuals previously shut out from financial services. In its direct engagement with the poor microfinance represents a new way for financial capital to potentially stimulate economic growth in poor and developing countries.

A mediocre idea that generates enthusiasm will go further than a great idea that inspires no one - Mary Kay





Message from the Managing Director

G r a m e e n
Development & Finance
Pvt Ltd has successfully
completed 5 years in the
service of poor and
disadvantaged families.

FY 2018-2019 has been a successful year in terms of growth, portfolio quality management, external linkages, area coverage and social performance management. It has continued meaningful works with improved performance, good governance, and also with excellent compliance. The OCPS investment of Rs.200 lakhs was received during the year from NEDFi. It has helped the company's capital base and could increase the portfolio to Rs.40.34 Cr and also the BC portfolio to the extent of 17.00 Cr making the AUM of Rs.57.34 Cr. The company has got banking relationship with IDBI bank, NE Small Finance Bank and ESAF Small Finance Bank.

We are focusing now on the areas where MFI concentration is relatively low. Given the possibility to grow with BC we are targeting the areas under this arrangement where there is concentration since certain conditions are to some extent relaxed for banks. The region has plenty of areas where microfinance has not reached; therefore GDF has potential to grow in coming years. GDF has been complying the legal and prudential norms and rules applicable to the NBFC-MFI. The company has growth opportunities in the unfolding scenario. Although constrained with resources the company has accomplished its CSR mandate set by itself. We have continuously organized financial literacy program, health program and also enterprise development support programs. The company has reached 23,000 deserving borrowers in eight districts in Assam, three districts in Meghalaya and one district each in Mizoram and Nagaland. Because of our relationship with the customers majority of them have continued with us.

Livelihood activities have to increase in order to benefit the farmers, artisans, and those who are unemployed. GDF has been working hand in hand with Grameen Sahara NGO and such other development agencies that work on supporting livelihood of the poor and disadvantaged.

Working in certain areas in the region is difficult due to its difficult terrain. This challenge also has been taken by the company. We have been working in Mizoram and have plan to extend to other states as well. The company has made many changes in its operational sub elements to make the operation efficient. Especially we have started using technology more than before. On ground there is competition with national level microfinance players. But still in many pockets GDFPL has been and can be strong with its allies Grameen Sahara's presence in those locations where it has been implementing development projects. The team of GDF is dedicated and highly committed. This has helped the company face the national level big MFIs on ground. Product diversification has been limited given our portfolio size. Cross selling is one area we are taking up in the next financial area which may or may not be linked to credit. With highly committed Board of Directors to the highest standards of corporate governance and GDFPL stands tall and well positioned to impact financial inclusion on a larger scale, albeit, with better efficiencies and quality of services. We are socially focussed and customer centric organization and always try to pass on the benefits to the customers that accrues from the operational efficiency. The company has strong systems and processes that have been reflected through its high portfolio quality. The achievements of the company have been possible however with the support from our dedicated staff, Board of Directors, stakeholders, lenders, investors and above all, our esteemed and highly disciplined women borrowers.

The challenges are to incorporate more technology, geographical expansion, more capital infusion and more innovation in service delivery. And also to move ahead amidst competition on ground. Doing business as usual may become challenging; service innovation will be the future for the company. While doing business we shall culture higher sense of social responsibility, client protection, high level of ethics and we shall always remain unbending and firmly determined to achieve the goals.

I, on behalf of the company, take this opportunity to convey my thanks to the investors, lenders, staff, officials, directors - for their guidance and support - members and well - wishers for their all-out support and contributions who have shown confidence on us.

I look forward to your continued support in this journey.

Sarat Chandra Das
Managing Director





Board of Directors:



Mr Mrinal Baishya, Independent Director

Mr Mrinal Baishya, an ex-banker, is an Independent Director of the Company. Mr Baishya, MA, LLB, served as the Chief Public Information Officer and General Manager of Planning and Development of United Bank of India. He was also the second Chairman of Pragjyotish Gaonlia Bank the major constituent of Assam Grameen Vikash Bank. He retired as the General Manager of United Bank of India, with over 40 years of experience in co-ordinating, supervising and implementing the bankable projects through the network of rural and semi urban branches in the Banking Sector. He brings in his rich experience and enriches the governance practices of GDFPL. Mr. Baishya is part Audit committee and Borrowing approval committee of the Board. He is also a legal practitioner in Guwahati High Court. Since 2015 he has been an independent director with the company and has been helping the company strengthening its corporate governance. He has helped the company in formulating various policies.



Mr Tilak Das, Independent Director

Mr Tilak Das, retired as the Deputy General Manager, Head of Agri Business, N.E. Region, State Bank of India is an Independent Director of the Company. Mr Das is a B.Sc. Agricultural Economics and brings with him more than 35 years of banking experience in the areas of rural development, financial inclusion, agricultural projects, training in behavioural science & management skill, retail banking, business process re-engineering, SHG bank linkage, designing of organizational development, interventions etc. Mr Das was appointed as an Independent Director in the year 2015. He has immensely contributed to the company through his excellent analytical inputs to the management. He also works as expert with various missions funded by World Bank and Asian Development Bank. His critical analysis has helped the company in formulating various operational strategies. In making the Governance of the company strong his contribution is remarkable.



Mr Srijib Kumar Baruah, Nominee Director

Mr Srijib Kumar Baruah, Executive Director of NEDFi is a nominee director from NEDFi. He is the only nominee director of the company. Mr Baruah is an Associate Member of the Institute of Company Secretaries of India and a Law Graduate (LLB), he also has a management degree. Mr Baruah brings in years of experience in development finance and has extensive exposure in the region and is an expert strategist in the micro-finance sector. His area of experience includes Civil Administration, Corporate Governance, Human Resource Development, Secretarial matters, Legal & Recovery, Consultancy & Advisory and Business Development. He joined the Company in 2014, as a Nominee Director and is continuing in that position. He with all his experience in various relevant fields directs and advises the Company whilst in compliance with the various regulatory bodies, and being a Company Secretary himself, advises the Company time and again in various Secretarial and Legal matters.





Mr Sarat Chandra Das, Managing Director and CEO

Mr Sarat Chandra Das brings with him more than 21+ years of experience as a social entrepreneur. He worked with RGVN, Sa-Dhan, HDFC Bank etc and founded a not-for profit social enterprise namely Grameen Sahara in 2002. He has got extensive experience in the development sector community development, enterprise building, natural resource management, education, etc and also has got experience in banking and microfinance. Grameen Sahara has grown to today's stature under his untiring commitment and engagement as a leader.

Microfinance program of Grameen Sahara has been successfully transformed into GDFPL, an NBFC-MFI registered with RBI. He has strong understanding of community development challenges and strategies with clear grasp of grass root. He is known in the sector as a key strategist and one of the successful social entrepreneurs in the regions. He has been profiled by VikasAnvesh Foundation, a Tata Trusts initiative in their book "Gems of Purest Ray, Serene" among 22 outstanding social entrepreneurs in India. He pioneers in social mobilization, system innovation, facilitation process mapping, system development and support. With sheer hard work and leadership transformed the shape of that Company. Mr Sarat Chandra Das, a graduate in Fisheries Science from Assam Agricultural University, has a Post Graduate Diploma in Rural Development, an Executive MBA, a Certified Expert in Micro-Finance from Frankfurt School of Finance and Management. He also attended Middle Management Program in IIM, Ahmadabad, and a Programme on Organized Farmers a Partner in Agri Business in CDI, Wageningen University. He also has an Executive Certificate in Strategy and Leadership from Jack Welch Management Institute.



Mr Dandi Ram Kalita, Director

Mr Dandi Ram Kalita, an ex-banker, is a whole time director of the Company and actively participates in the day to day affairs of the Company. Mr Kalita brings with him immense experience in the banking sector as he is a retired officer from Allahabad Bank. During his tenure with the Bank he actively worked in the interests of employee welfare associations and after his retirement joined the NGO Grameen Sahara as an adviser. Mr Kalita is a BA (Economics) and he heads the internal Audit System teams of the company. He is also a member of PRAYAS, a reputed Trust for Socio-Economic Development and carries out Financial Literacy Camps on behalf of the Company. He joined the Company as a Director in 2014, and with his experience as a banker as been an integral part of the

Micro-Finance operations. He also has actively taken part in all the CSR initiatives of the Company and is also a constant member of Various Committees of the Company and maintains a strict vigil on the internal control systems on behalf of the Company.

Management Committee

Mr. Sarat Chandra Das, MD & CEO
Mr. S.S. Mohan, AGM & Head Operations
Mr. Gautam Goswami, Company Secretary
Mr. Sujit Banik, Head Accounts & Finance
Ms. Mira Das, Head, MIS
Mr. Sanjib Kalita, Manager-IT
Ms. Nirmali Nath, Head, HR & Admin
Mr. Bhaskar Jyoti Goswami, Manager-Ops
Mr. Rajesh Baishya, Manager-Ops
Mr. Nitul Kalita, Internal Auditor

Internal Audit Committee

Mr. Mrinal Baishya, Independent Director
Mr. Tilak Das, Independent Director
Mr. Dandi Ram Kalita, Director
Committee for prevention of sexual harassment of women at workplace:
Mr. Sarat Chandra Das, MD & CEO
Mr. Dandi Ram Kalita, Director
Ms. Mira Das, Head, MIS
Ms. Nirmali Nath, Head, HR & Admin
Mr. Rumi Thakuria, Sr. Executive, MIS

REGISTERED OFFICE:

GDFPL, Dubjeni, Kuls Road Chhaygaon,
Kamrup, Assam 781124, www.gdfpl.com.
Whether listed: Not listed.

AUDITORS:

D Patwary & Co.
Firm's Registration No.: 324523E
Christian Basti, Udayachal Path, Assam 05

When you learn something new, especially something that's not connected to your day job,
it can be inspirational and life changing-Norah Deay





Background of the Company

Sharanarati Leasing & Finance Private Limited was incorporated on 20th July, 1989; in the National Capital Territory of Delhi vide registration no - 55-037029 under the Companies Act, 1956. In 1999, the registered office of the Company was shifted to the State of Punjab from NCT of Delhi. The Company was also granted with a Certificate of Registration (COR) bearing registration no- B-06.00271 dated 10th May 2000, by the Reserve bank of India, Chandigarh, to carry on the Business of Non-Banking Finance company under section 45(IA) of Reserve bank of India Act, 1934.

Again in the year 2013-14, the registered office of the Company was shifted to the State of Assam from the State of Punjab and consequently upon shifting of the registered office to the State of Assam, a fresh Certificate of Incorporation was issued by the Registrar of Companies, Shillong, bearing no U65921AS1999PTC011755 dated 16th January, 2014. Consequent to shifting of the registered office to the State of Assam, a fresh Certificate of Registration (COR) bearing no B-08.00135 dated 14th March, 2014 by the Reserve bank of India, Guwahati, and the company had converted into a NBFC- MFI. The Company has changed its name from Sharanarati Leasing & Finance Private Limited to Grameen Development and Finance Pvt Ltd, and a fresh Certificate of Registration was issued bearing Corporate Identification no: U65921AS1999PTC011755.

Grameen Development and Finance Pvt Ltd is the outcome of Grameen Sahara's (NGO) financial inclusion efforts by way of direct micro-finance programme implemented with the financial support from RGVN, NEDFi and ABN Ambro Foundation and so on. With the ever increasing scale of operations of Grameen Sahara, the need was felt by the management to have a properly regulated entity

to extend the Micro- finance services in a prudent and well monitored manner. Thus a promoter group was formed and an existing company based in Abohar, Punjab was taken over only to be transformed into Grameen Development and Finance Pvt Ltd to fully take over the micro-finance operations from Grameen Sahara leaving the NGO free from such operations in the future

GDFPL is an emerging microfinance institution working in the region & has a vision to be

**Most preferred
MFI within 2025**

41% of India's population is

still unbanked of which **40%**
belong to urban regions and

60% belongs to rural areas.

Only **14%** of the adult
population has access to credit
accounts with formal financial
institutions

GDF endeavours to reduce this gap
by micro-lending.

Words can inspire, thoughts can provoke, but only action truly brings you closure to your dream -Brad Sugars





Approach

Although constrained by resource still the company has focused on -

- Social & Business Loans
- Social Development Programs in collaboration with Grameen Sahara
- Focuses on Customer Education



Loan appraisal process is robust -

- Collective decision of Group Members for loan approval
- 100% Credit Bureau Checks
- Thorough Appraisal of Loan Application

Proper organizing of clients -

- Thorough Checking of Indebtedness
- Compulsory Group Training
- Compulsory Group Recognition Test
- Mandatory Livelihood Profile



Ethics in collection process -

- Courteous Staff Behaviour
- Empathetic response for clients during repayment crisis
- Under no circumstance Physical Collateral is confiscated.



Strict adherence to code of conduct -

- Mandatorily CoC is implemented
- Adherence to RBI, MFIN, Sa-Dhan CoC
- Frequent Staff Training on CoC
- Regular checking of the compliances by internal control system

Customer care -

- Helpline for Customers
- Time-bound Grievance Redressal
- Client Feedback Mechanism in Place



Data privacy -

- Strict Policy on Data Privacy
- Periodic Staff Training on Data Privacy

Adequate System of Safeguarding Data



One must not focus on the risk of saying. "Yes." Great missing opportunities by saying "No." -Charles Sullivan





Approach:-

The client base of the company includes mostly economically and socially disadvantaged section of the society or under-served by the formal financial institutions. They are economically active and either not served or lack opportunity. The company supports improvement in the quality of life by creating awareness on savings and pension, awareness and empowerment levels through access to health care services, education, sanitation and safe-drinking water. The company is also planning to get into certain activity based lending on cluster approach and has been trying to collaborate with other agencies. The company effectively caters to the needs of this segment to support sustainable livelihoods. The code of conduct assessment has been ranked as Good by the assessing agency. The micro-entrepreneurs in the service sector, manufacturing sector, low income group of organized sector, labourers in the farm and non-farm activities, and small farmers engaged in agriculture and allied sector, people engaged in petty trading in Supari and stationery, garments and groceries, handlooms and handicrafts, weaving and stitching and animal husbandry etc form the customer segment of the company.

Our approach is that we focus on serving those families who are with little or no access to credit and other financial services from rural, semi-urban and urban areas in the NE region of India. At the same time we see whether those people have potential to engage in productive works or not. We collaborate with other agencies for other required services while we meet the credit needs of those families. Grameen Sahara has been a strong ally in our journey as the organization promotes and support sustainable livelihoods. We provide them suitable repayment schedule as per their cash flow like weekly a biweekly repayment schedule as may be suitable to the customers. The company honours the customers' needs. Appropriate process is put in place so as to ensure convenient delivery to customers, not to over-burden the customer with higher repayments, customer affordability to take the product and their ability to repay without stress. Increasing customer sustainability and enabling customers to meet life cycle needs and emergencies is a high priority for the company. We also ensure customers are safe by facilitating them with health/life insurance products.

Our strengths

There is a well-defined grievance redressal policy and mechanism for capturing clients' grievances and complaints. Enterprise promotion has been at very core of the company. International Finance Corporation (IFC) has selected the company to sponsor its Risk Management Framework exercise. The exercise is being done by an internationally reputed consultancy firm Deloitte Consulting. With this, the company will have its own Risk Management Framework, which will help in a way that will ensure convenient and easy services to its target borrowers while minimizing the risk weighted portfolio management

The following are strengths of the company -The Company has Strong Board of Directors with Banking and financial backgrounds armed with strong professional team consist of professionals from different fields like management, engineering, agriculture, economics, commerce, science, social work, etc. The company has strong presence on the ground through its parent organization Grameen Sahara. There has never been any issue related to RBI compliance. We have scored high in both COCA and grading exercise (M3C3). The Company has very well disseminated the guidelines for client origination and targeting among the branches.





Microfinance methodology:



GDF follows the individual lending model through joint liability groups. The group size varies from 5 to 20 women borrowers. Two or more such groups form a centre and in a village more than one centre could be formed based on the numbers of borrowers. We have compulsory group training, group recognition test, and compulsory credit bureau check. There is also system of KYC authentication system placed in the HO where we do compulsorily check the KYC in the election commission website. Based on the RBI regulation and based on credit absorption capability the loan application is processed. Loans are provided through joint liability group. We have weekly, bi-weekly and monthly repayment schedule as required by the borrowers. No security or collateral is asked for. From one household only one member is provided loan. We also cover life through LIC, Bajaj and Kotak.

*HDI in Assam at **0.557** just about half of the desired level. It is estimated that about one-third (30%) of the potential aggregate human development is lost due to the prevailing inequalities underlying achievements in education, health and income dimensions. The loss due to inequality is the highest in the income dimension (about 44%) followed by health (32%) and then education (9%).*







Directors Report- 2018-2019

To
The members,
Grameen Development & Finance Pvt Ltd
Your Directors have the pleasure in presenting the 30th Board's Report of the Company together with the audited Statement of Accounts and the Auditors' Report of your Company for the financial years ended 31st March 2019.



Background of the Company

The Company was originally incorporated as Sharanarati Leasing & Finance Private Limited on 20th July, 1989 in the National Capital Territory of Delhi vide registration no - 55-037029 under the Companies Act, 1956. In 1999, the registered office of the Company was shifted to the State of Punjab from NCT of Delhi. The Company was granted with a Certificate of Registration (COR) bearing registration no- B-06.00271 dated 10th May 2000, by the Reserve bank of India. Again in the year 2013-14, the registered office of the Company was shifted to the State of Assam from the State of

Punjab. Subsequently, upon receipts of necessary approvals its name was changed to Grameen Development and Finance Private Ltd, on 08/08/2014, a fresh Certificate of Registration was issued bearing Corporate Identification Number U65921AS1999PTC011755. Also a fresh Certificate of Registration (COR) bearing no B-08.00135 was issued by the RBI, Guwahati. On 18/08/2014. The Company was further classified as an NBFC-MFI in December 2014, to carry on the Business of Non-Banking Finance company under section 45(IA) of Reserve bank of India Act, 1934.

Business Growth Summary

Statement of profit and loss for the period ended	March, 2019	March, 2018	Growth Percentage
<i>Revenue from Operations</i>	77003072	69123650	11.40
<i>Other Income</i>	10827086	4791593	125.96
<i>Total Revenue</i>	87830158	73915243	18.83
EXPENSES			
<i>Employee Benefits Expenses</i>	22544102	18105215	24.52
<i>Depreciation</i>	1310554	982865	33.34
<i>Finance Cost</i>	47406876	41060934	15.45
<i>Other Expenses</i>	8074879	7024215	14.96
<i>Provisions and Write-offs</i>	1189064	-108401	
<i>Total Expenses</i>	80525475	67064828	20.07
<i>Profit before Profit Period & exceptional Items</i>	7304683	6850415	6.63
<i>Prior Period Expenses</i>	0	0	
	7304683	6850415	6.63
Tax Expenses:			
(1) <i>Current Tax</i>	2307764	1980000	16.55
(2) <i>Deferred Tax (Assets)/Liabilities</i>	-332732	30048	
(3) <i>Tax of Earlier Years</i>	137851	59425	131.97
<i>Total Tax Expenses</i>	2112883	2069473	2.10
<i>Profit for the Year</i>	5191800	4780942	8.59
Earning Per Equity Share			
(1) <i>Basic</i>	1.30	1.63	
(2) <i>Diluted</i>	0.96	1.28	





The company has opened six branches in two states Mizoram and Assam. The inclusive performance of the company during reporting year is satisfactory. The MIS software has been made completely online and real time data and information or reports are now available which has helped the company expanding to new geographies. The company has focused on operational efficiency and portfolio quality

management. Despite efforts due to its size the company has not been able to reduce the fund cost. Although the projected AUM could not be achieved it has grown 83% with AUM of Rs.56.99 Cr. Number of active borrowers grew to close to 25000. The interest margin has been maintained around 9% which is much lesser than the stipulated 12% cap. There was a net interest income growth of only 11%.

Capital Infusion

During the last financial year, the Company could raise INR-29,875,000 (Rupees Two crore ninety eight lakh seventy five thousand), out of which INR 21,25,000 (Rupees twenty one lakhs twenty five thousand) was raised through issue of 2,12,500 equity shares of ₹ 10 each, which were issued to the employees of GDFPL and its sister concerns as Sweat Equity Shares through issue of Preference Shares (Both Optionally



Also INR 2,77,50,000 (Rupees Two Crore seventy seven lakh fifty thousand) were raised Convertible Preference shares and Compulsorily Convertible Preference shares were issued). The Company is in talks with various Financial Institutional Investors and Private Investors thus the Capital Infusion in the next financial year should not be less than 4 Crores.

Change in the Nature of Business, if any

Your Directors would like to inform that the Company is doing its regular business without any deviation to other objects. The Company has continued with its direct retail micro- finance services to the poor and underprivileged families. The Company has facilitated micro-insurance services for life coverage of the borrowers in order to mitigate the risk of non-payment in case of death of any borrower. The primary business of the company is direct retail lending to micro-borrowers and it's exactly what the Company has been doing since it has been recognized as an NBFC-MFI. However from the

financial year 2017-18, the Company has started working with other NBFC-MFI, namely AROHAN and other Banks like ESAF Small Finance Bank and IDBI Banks as a sourcing and collection agency which is similar to that of BC arrangement with banks. This portfolio will not be a part of the Balance Sheet of the company but will be reflected as portfolio managed for other MFI. As per 31/03/ 2019 the company had a balance of loans and advances of 57 Crores (The total balances of Loans and Advances include loans of INR 40.34 Crore on Own Portfolio & INR 16.66 Crore on Managed Portfolio

Dividend

In order to retain capital for business expansion and given extant provision of Companies Act, 2013, the Directors have decided to plough back the profits and have not recommended any Dividends to Equity shareholders/ investors. However, preference dividend of INR. 22.39 lakhs was declared including dividend declaration Tax.

Transfer to Reserve

As per Section 45-IC of the Reserve Bank of India Act, 1934, every NBFC shall create a reserve fund and transfer therein a sum not less than 20% of the net profit of each year as disclosed by the Statement of Profit and Loss a/c. An amount of Rs. 10.38 lakhs.





Transfer of Unclaimed Dividend o Investor Education and Protection Fund

The provisions of section 125 of the Companies Act, 2013, does not apply to the Company as the company had not declared any dividend to the Equity shareholders, only preference dividend was paid to the preference shareholders as per the provisions contained in the Articles of Associations as such there was no unpaid or unclaimed dividends for that matter.

Review of Business Operations and Future Prospects

Your Company delivered yet another year of resilient performance, aided by healthy teamwork leading to enhanced the range and area of operations and sharper in-market execution. Your Company is a classified NBFC-MFI since December 2014, to carry on the Business of Non-Banking Finance company under section 45(IA) of Reserve bank of India Act, 1934. At the end of the last financial year , the company had a balance of loans and advances of 57Crores (The total balances of Loans and Advances include loans of INR 40.34 Crore on Own Portfolio & INR 16.66 Crore on Managed Portfolio) as against 30.37 Crore in the last financial year. In regards to profitability your Company has earned a net profit (after tax) amounting to INR 4,541,521(as compared to INR 4,780,942 in

the last financial year). The fall in profit does in no way signify downfall in business operation or ill managed business rather it suggests that your Company has enhanced its area of operation to another State nonetheless this year, also employee , operational and financial expenses are on the higher end thus there is a fall in the profits but as soon as the operation in the new branches consolidate there shall be increased profitability.

Your Company has crafted some well-considered plans to further drive operating efficiencies in the coming years. Your Company projected a combined portfolio of INR 120 Crore (70 Crore of Own Portfolio and 50 Crore Managed Portfolio)

Material Changes and Commitments

There has been no material change and Commitment affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and date of the Report.

Internal Financial Controls

The Company has maintained adequate internal financial control system, commensurate with the size, scale and complexity of its operations and ensures compliance with various policies, practices and statutes in keeping with the organization's pace of growth and increasing complexity of operations. Companies' policies, guidelines and procedures are well documented and provide for adequate checks and balances and are meant to ensure that all transactions are duly authorized, recorded and reported in the hierarchical chain of command.

Vigil Mechanism

Even though the Section 177 (9) Establishment a vigil mechanism is not applicable to your Company, your Directors have the pleasure to inform you, that your Company has got a Vigil Mechanism for the Directors as well as employees to report genuine concerns or grievances relating to any unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct Policies.





The Extract of Annual Return

The Extract of Annual Return required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, forms part of this report as Annexure-B.

CONSERVATION OF ENERGY, TECHNOLOGY

Risk Management Policy

Risk Management is an integral part of the Company's business strategy with focus on building risk management culture across the organization. The Risk Management oversight structure is included in the Internal Audit and Control Committee, though your Company will come up with a full-fledged Risk Management Committee very soon. The Risk Management process in your Company covers the following aspects-

- a) Risk Identification
- b) Risk Assessment
- c) Risk Monitoring
- d) Risk Mitigating

The Risk Management process as is an on-going process that is supported by a robust risk reporting framework. It entails establishment of robust systems and reporting and monitoring framework and processes to mitigate risks effectively. Risk Management at the Company covers Credit Risk, Market Risk, Operational Risk, Fraud Risk and other risks. The surveillance audit for the operations of its assets businesses, without any major non-conformity. The Risk Management framework assists the Board in its oversight of various risks mentioned above. This reviews compliance with risk policies, monitors risk

ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

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

tolerance limits reviews and analyses risk exposures related to specific issues and provides oversight of risk across the organization. The Credit Risk management structure includes separate credit policies and procedures for various businesses. The risk policies define prudential limits, portfolio criteria, exceptional approval metrics, etc. and cover Risk assessment for new product offerings, Concentration Risk is managed by analysing counter-party, industry sector, geographical region, single borrower and borrower group. While Credit Risk management helps in approving counter-party credit exposure in line with the Delegation of Power and Authority assigned by the Board of Directors, the Credit Monitoring primarily focuses on post sanction monitoring. Retail Finance credit approval is based on product / programs and monitoring is primarily done at the portfolio level across products and programs. Periodic scenario analysis of the credit portfolio is conducted and necessary corrective measures are implemented. Management of Liquidity (Asset Liability and Interest Rate) and Market Risk is carried out using quantitative techniques such as sensitivity and stress testing. The Finance and Asset Liability is also reviewed under the Risk Management process of reviews liquidity risk and the interest rate risk profile of the organization, on a regular basis.

Details of Company's Corporate Social Responsibilities initiatives

The provisions of section 135 of the Companies Act, 2013 do not apply to the Company, however the Company believes that every business must contribute in some way or another to the society under true spirit and not due to compulsion by Law, only then society at large can be targeted for development and all inclusive growth. Your Company strives hard towards development, financial literacy and all round development of health of people in and around its vicinity. The Company has

conducted various Financial Literacy Campaign, Health check-up Camps, Eye check-up Camps,

Entrepreneurship Development programs, Market linkages programs etc over the year, so as to uplift the standards of the people living in and around the vicinity of the Registered and Head office of the Company. And these Social Responsibility initiatives will increase many fold in the coming years.





Particulars of Loans, Guarantee and Investment made by the Company under section 186

The Company has not made any investment, given guarantee and securities during the year under review.

There for no need to comply with provisions of Section 186 of Companies Act, 2013

Related Party Transactions

During the last financial year 2018-19, Related Party Transactions as per the provisions of section 188 of Companies Act, 2013 read with Companies (Meeting of Board and its Powers), Rules, 2014, entered into by the Company were at arm's length and in ordinary course of the business. Omnibus approval of such

related party transaction which was foreseen as repetitive in nature was obtained from the Board of Directors from time to time. The disclosures pertaining to such transactions have been provided in accompanying ANNEXURE A in the prescribed form AOC-2

Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Auditors or the Company Secretary in their Reports

During the last financial year 2018-19, there were no adverse comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Auditors or the Company Secretary in their Reports.

During the last financial year the Statutory Auditors of the Company did not report any frauds pursuant to section 143(12) of Companies Act, 2013

Deposits

The Company being NBFC-MFI has neither accepted nor renewed any deposits during the year under review.

Significant and Material Orders Passed by Regulators, Courts and Tribunals

Your Directors are pleased to inform you that no significant and material order has been passed by the

regulators, courts, tribunals impacting the going concern status and Company's operations in future.

Details of Subsidiaries, Joint Ventures or Associate Companies (Only if applicable)

Your Company does not have any Subsidiary, Joint Venture or Associate Company as on 31/03/2019.

Directors & Key Managerial Personnel (KMP)

There has been no change in the constitution of Board of Directors during the year under review i.e. the structure of the Board remains the same. Mr Sarat Ch. Das, continued as Managing Director, Mr Dandi ram Kalita continued as Director, Mr Srijib Kr Baruah continued as Nominee Director, Mr Tilak Das and Mr

Mrinal Baishya continued as Independent Directors of the Company. Your Directors are pleased to inform you that Mr Gautam Goswami, a Company Secretary as joined the Company as the Company Secretary, KMP from 02/03/2019 as was required under section 203 read with rule 8 and 8A of Companies Act, 2013.





Meeting of Board of Directors

During the last financial year 2018-19, the Board of Directors of your Company met for 9 times and had 9 Board Meetings the maximum gap between any two

Board Meetings was less than 120 days. The names of members of the Board, their attendance at the Board Meetings are as under:

Name of Directors	No. Of Meetings Attended
Mr. Sarat Chandra Das Managing Director & CEO	9/9
Mr. Dandi Ram Kalita Director	9/9
Mr. Srijob Kumar Baruah Nominee Director	5/9
Mr. Mrinal Baishya Independent Director	5/9
Mr. Tilak Das Independent Director	5/9



Prevention of Sexual Harassment at Workplace

The Company is committed to provide safe and conducive work environment to its employee's and also as per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted a

Complaint Committees (CC), constituting of Mr Sarat Chandra Das, Mr Dandi Ram Kalita, Mrs Mira Das, Mrs Rumi Thakuria and Ms Nirmali Nath, while maintaining the highest governance norms, requisite experience in handling such matters. During the year no such incident was reported.

Statutory Auditors

The Auditors, M/s.D. Patawary & Co, Chartered Accountants, based in Guwahati, Firm Registration No- 324523, were appointed as Statutory Auditors to hold office until the conclusion of this Annual General Meeting. The Directors recommended that M/s D.

Patawary & Co, Chartered Accountants, will continue to be Statutory Auditors of the Company at the forthcoming Annual General Meeting of the Company to hold office till the conclusion of the next Annual General Meeting of the Company in 2020

Declaration by Independent Directors

Since the Company is a Private Company as under section 2(68) of the Companies Act, 2013, thus the provision of section 149 of Appointment of Independent Directors do not apply to the Company, but to bring an unbiased perspective into the management, the Company decided to appoint Mr Tilak Das and Mr Mrinal Baishya to join the Board as

Independent Directors of the Company from 2015-16 for a period of two years, and since then they have been nothing but an asset for the Company. During the last financial year they continued their second term as Independent Directors as their terms of appointment were revised for two more years in 2017-18.





MEETINGS OF VARIOUS COMMITTEES

Management committee

The day-to-day management of the Company is vested with the Management Committee, which is subjected to the overall superintendence and control of the Board. The Management Committee is headed by the Managing Director Mr Sarat Chandra Das, and includes Mr Saumya Siddhatha Mohan, Mr Gautam

Goswami, Mr Sujit Banik Bhaskar Jyoty Goswami, Mr Rajesh Baishya, Mrs Mira Das, Ms Nirmali Nath, Mr Pradip Kalita, Mr Nitul Kalita, and Mr Sanjib Kalita. The Committee met for 13 times during the last financial year.

The number of meetings attended by members during the last financial year are-

Name of members	No. Of Meetings Attended
Mr. Sarat Chandra Das, Managing Director & CEO	11/13
Mr. Saumya Siddhartha Mohan, Assistant General Manager & Head Operation	13/13
Mr Gautam Goswami, Company Secretary & Chief Compliance Officer	3/13
Mr. Sujit Banik, Sr. Manager Accounts and Finance	11/13
Mr. Bhaskar Jyoty Goswami, Manager Operations (Organic portfolio)	13/13
Mr. Rajesh Baishya, Manager Operations (BC portfolio)	12/13
Ms. Nirmali Nath, Assistant Manager HR & Admin	13/13
Ms. Mira Das, Manager External reporting & BC MIS	10/13
Mr. Nitul Kalita, Internal Auditor	11/13
Mr. Sanjib Kalita, Manager, IT	13/13

“It’s easier to go down a hill than up it but the view is much better at the top” Henry Ward Beecher





Internal Audit Committee



The Internal Audit Committee assists the Board in dissemination of financial information and helps in overseeing the financial and accounting processes in the Company. The Committee also handles the portfolio of Risk management as there exists no separate Risk Management committee. The Internal Audit Committee shall oversee the recommendation for appointment, remuneration and terms of appointment of auditors of the company; review and monitor the auditor's independence and performance, and effectiveness of audit process; examination of the financial statement and the auditors' report thereon; approval or any subsequent modification of transactions of the company with related parties; scrutiny of inter-corporate loans and investments; valuation of undertakings or assets of the company, wherever it is necessary.

Name Of Members	No of Meetings attended
Mr. Dandi Ram Kalita, Director	4/4
Mr. Mrinal Baishya Independent Director	4/4
Mr. Tilak Das Independent Director	3/4

The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the

auditors are review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company. The Committee consists of Mr Mrinal Baishya, Mr Dandi Ram Kalita and Mr Tilak Das. The Committee met for Four times during the last financial year as given on the table -

Complaint Committee (To Prevent Sexual Harassment of Women at Workplace)

The Company is committed to provide safe and conducive work environment to its employee's and also as per the requirement of The Sexual Harassment of Women at Workplace(Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules madethereunder, your Company has constituted a Complaint Committees (CC), constituting of Mr Sarat Chandra Das, Mr Dandi Ram Kalita, Mrs Mira Das, Mrs Rumi Thakuria and Ms Nirmali Nath,

whilemaintaining the highest governance norms, requisite experience in handling such matters.The company has in place a POSH Policy(Prevention of Sexual Harassment) in line with the requirement of The Sexual Harassment of Women at Workplace(Prevention, Prohibition and Redress) Act, 2013. All employees(permanent, Contractual and temporary) are covered under this policy .During the year no such incident was reported.





The Number of meeting attended by members during the last financial year -

Name Of Members	No of Meetings attended
Mr. Sarat chandra Das	4/4
Mr Dandi Ram Kalita	3/4
Mrs. Mira Das	3/4
Mrs. Rumi Thakuria	4/4
Ms. Nirmali Nath	4/4



Shares

Company has not issued any Bonus shares or securities during the last financial year

a) Buy back of security: The company has not brought back any of its shares or securities during the last financial year.

b) Sweat equity: The company issued 2,12,500 sweat equity shares of Rs.10/ each worth Rs.21, 25,000 during the last financial year.

c) Employees' stock option plan: The company has not issued any employees stock option plan to its employees during the last financial year.

Directors' responsibility statement-

Pursuant to Section 134 of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, confirm that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) 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 of the profit and loss of the company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts on a going concern basis; and

(e) Clause (e) of section 134(5) is not applicable as the Company is not a listed Company

(f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.







Cautionary Statement

Statements in the Annual Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

Acknowledgement

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the customers, employees, banks, Government authorities, vendors and members during the year under review.

For and on behalf of the Board

Date: 2nd July 2019

*Mr Sarat Chandra Das
Managing Director*

*Mr Dandi Ram Kalita
Director*

MANAGEMENT DISCUSSION & ANALYSIS

The gross loan portfolio of microfinance sector as a whole stood at Rs.1,87,386 Cr at the end of March 2019 which is up by 38% year on year. The total number of microfinance accounts was 9.33 Cr as on that day showing a growth of 21.9%. NBFC-MFIs hold the largest share of portfolio in microcredit with the total outstanding of Rs.68,868 Cr which is 36.8% of the total microcredit universe. In 2018-2019, microfinance in India showed rapid, regionally-balanced and resilient growth. Apart from the growth in loan size and loan accounts, the growth of the staff of NBFC-MFIs was also heartening at 34%, now totalling to 1,04,973 people. Eastern India's growth continues, with Bihar and Odisha now ranked 2 and 3 in terms of states. There are 53 NBFC-MFIs as MFIN members that collectively disbursed 3.25 Cr loans worth 82,928 Cr during 2018-2019. Compared with financial year 2017-2018, there has been a year on year increase of 28% in number of loans disbursed and 44% in loan disbursed. In 2018-2019, NBFC-MFIs received a total of Rs.35,759 Cr in debt funding from banks and other financial institutions. This represents a growth of 63% compared to 2017-2018. Total equity grew by 42% during the same period and at Rs.14,206 Cr. From this analysis it looks the microfinance industry is on the path of recovery and is likely to see a growth of 20-22% in 2019-2020 despite last year's liquidity squeeze, according to rating agency ICRA. The domestic microfinance sector registered a robust 28% growth during the 12 months ended December 2018 against 26% in 2017-2018, and has emerged unscathed even as the liquidity squeeze after September 2018 severely curtailed growth of NBFCs in India. As of December 2018, the overall micro loan market size, including SHG bank linkage program was Rs.2,37,000 Cr.

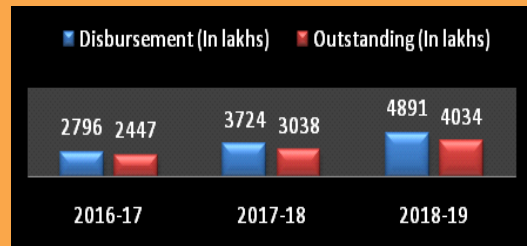
In terms of external capital, however, microfinance institutions and small finance banks, would together require external capital of close to Rs.3,500 to Rs.4,700 Cr in next three years given their growth targets of 25% to 30% annually. Investors continued to support the industry with equity infusion of around Rs.4,350 Cr in 2018-2019, against Rs.4,100 Cr in 2017-2018. More than 90% of the capital raised in 2018-2019 was by MFIs, with assets under management of more than Rs.1,000 Cr. Adding that this implies that larger entities have been able to attract capital while the smaller less-diversified entities continue to struggle on this front. Accordingly, smaller MFIs could look to originate more loans under BC or co-lending framework with larger MFIs and thereby conserving the capital. There has been merger as well of small MFIs with bigger MFIs.





Operational performance

Particulars	2016-17	2017-18	2018-19
Disbursement (In lakhs)	2796	3724	4891
Outstanding (In lakhs)	2447	3038	4034

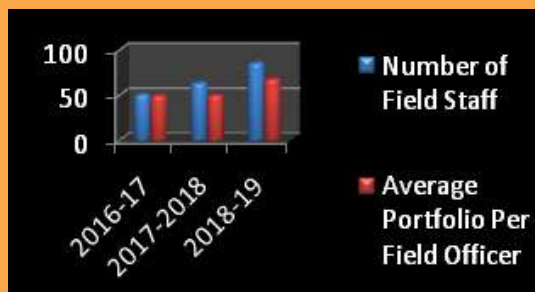


portfolio (owned and managed) of all the branches taken together was Rs. 5701.36 lakhs with 23901 active borrowers as on March 2019. This FY 2018-19 the total principal overdue with >365 DPD is Rs. 8.64 Lakhs. Out of the total clients the Company wrote off few of the oldest 30 of those clients which are in the DPD of > 365 across the branches.

resources. The company has become efficient in terms of disbursement time, customer service, grievance redressal; branch grading, settlement of insurance claims. The company has been serious in reducing the turnaround time. The sectoral environment is also such that in the sector is such that the company must have greater efficiency to go.

The company has tried its best to become efficient than before. Utilization of available funding resources is also a critical area the company has stressed. But still it has not been able to utilize the resources to the fullest extent. The number of clients per field executive stands at 281 whereas the potential is to go up to 500 after introduction of bi-weekly repayment schedule. Similarly, the portfolio per executive stands at Rs.67 lakhs whereas it can go up to Rs.1.50 Cr per field staff.

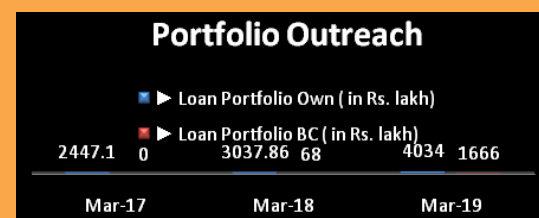
Efficiency



GDF has continued to grow during the reporting year. The disbursement has Rs.49.00 Cr in the organic portfolio whereas the disbursement under BC framework stood close to Rs.20.00 Cr making the total Rs.69.00 Cr. There is 33% growth in terms of own portfolio. The growth rate in case of BC/partnership portfolio was exponential. It stood at Rs.16.66 Cr from mere Rs.68.00 Lakhs.

During the previous financial year GDF's own loan portfolio was Rs. 4033.53 lakhs. Your Company is also working on a partnership model with Arohan Financial Services and ESAF Small Finance Bank in 7 branches out of the total 24 branches. Your Company ventured into the State of Mizoram and opened a Branch in Aiwzal and operations have started and God willing, various new avenues therein shall be ventured into. The combined

Portfolio outreach (Rs. in lakhs)			
	Mar-17	Mar-18	Mar-19
	2447.1	3037.86	4034
▶ Loan Portfolio BC (in Rs. lakh)	0	68	1666
▶ Total Loan Portfolio (in Rs. lakh)	2447.1	3106	5700



Portfolio Per Field Officer in last Three years			
INDICATOR	2016-17	2017-2018	2018-19
Loan Portfolio Own (in Rs. lakh)	2447.1	3037.86	4033.53
Loan Portfolio BC (in Rs. lakh)	0	68	1666
Total Loan Portfolio (in Rs. lakh)	2447	3106	5700
Number of Field Staff	50	63	85
Average Portfolio Per Field Officer (in Rs. lakh)	49	49	67



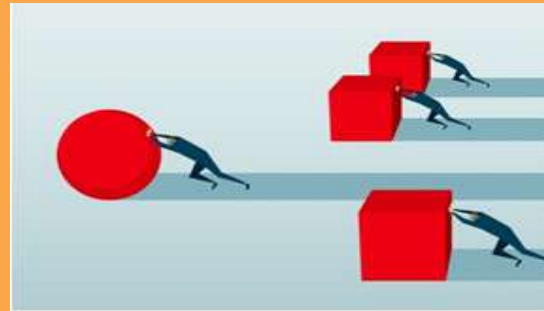


Portfolio Per Field Officer in last Three years			
INDICATOR	2016-17	2017-2018	2018-19
Loan Portfolio Own (in Rs. lakh)	2447.1	3037.86	4033.53
Loan Portfolio BC (in Rs. lakh)	0	68	1666
Total Loan Portfolio (in Rs. lakh)	2447	3106	5700
Number of Field Staff	50	63	85
Average Portfolio Per Field Officer (in Rs. lakh)	49	49	67

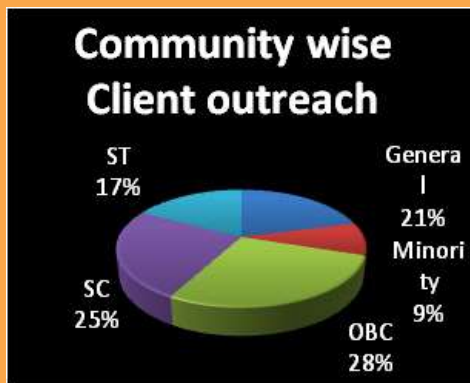


Due to funding constraints GDF has not been able to utilize its full potential in terms of human resources available. But post BC arrangement the company has been able to set its trend of efficient use of the

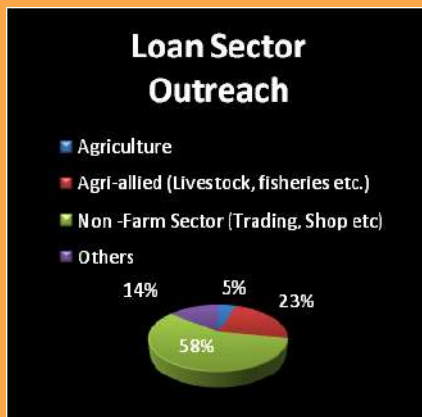
	Area Outreach					
	31/03/2017		31/03/2018		31/03/2019	
	No of clients	POS	No of clients	POS	No of clients	POS
Own portfolio	17882	2447.11	19202	3037.86	18867	4034.00
BC portfolio	0	0	309	68	1666	1666
Grand total	17882	2447.11	19511	3105.86	20533	5699.00



Loan Sector Outreach as on March'19	
Sector Wise	POS (In Lakhs)
Agriculture	202
Agri-allied (Livestock, fisheries etc.)	928
Non -Farm Sector (Trading, Shop etc)	2339
Others	565
Total	4034.00



Loans as per interest rates	POS as on 31/03/2018 (Lakhs)	POS as on 31/03/2019 (Lakhs)
4% JLG loan	8.10	0.02
12% JLG loan	3.73	0.20
20% JLG loan	293.18	574.31
24% JLG loan	1627.49	3387.84
25% JLG loan	1105.36	71.16
Total (Own portfolio)	3037.86	4033.53
BC	68.00	1665.79
Grand Total	3105.86	5699.32





Financial Performance

In terms of growth and expansion GDFPL has been non aggressive constrained with small equity base. With this year's net profit of Rs.51.92 Lakhs the company has for last five years been able to have a net surplus. Its profit is the promise to its shareholders investors, customers and the employees. After considering cumulative profit of Rs.166.00lakhs and transfer to Statutory Reserve, GDFPL's profit stands not at high but at a comfortable position in comparison to its size.

The total expense ratio stands at 9%, which is lesser in comparison 9.60% in March 2018 and 11.27% in March 2017. The ROE and ROA are 7.8% and 1.1% respectively. The ratio are still showing gap which could be brought by efficiency in operation and better financial management. The management committee has started reviewing regularly the state of the financial performance ratios so that immediate corrective steps can be taken.

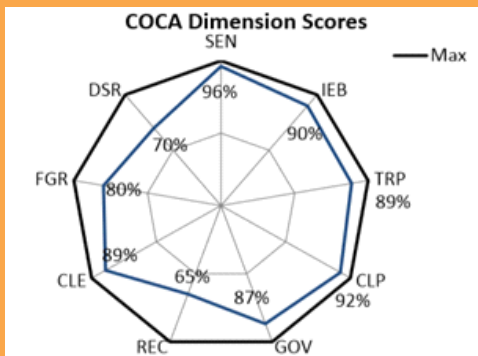
Resource Mobilization

For smaller MFI like GDF resource mobilization is very challenging given its equity base. However during the year the company has been able to raise funds from various financial institutions, NBFCs and banks. We could receive loans from IDBI bank, AGVB, NESFB, NEDFi, AFC, Oiko Credit, Electronica, IntelleGrow, Profectus, MAS, etc. We could also mobilize capital fund to the tune of Rs.297.25 lakhs.

An amount of INR 38 Cr was mobilized as loans from various financial institutions as shown in the table.

FUNDING		
Sl No	Funding agency	Loan received (Rs. in lakh)
1	NEDFi	1750
2	IDBI Bank	400
3	AGV Bank	300
4	NESFB	200
5	Oiko Credit	400
6	AFC	200
7	Electronica Finance	150
8	MAS	200
9	IntelleGrow	200
Total		3800

Grading & COC Assessment



SMERA
Comprehensive
Grading
M3C3

(Above average capacity of the MFI to manage its operations in a sustainable manner and average performance on code of conduct dimensions)

The harmonized code of conduct assessment was assigned to SMERA. Given its size and reach GDF has scored to its expectation. SMERA after rigorous assessment assigned the score of M3C3. Rating of 'COCA3' defining "Higher Level of Adherence" to GDFPL on a six-point scale given to the MFI industry. GDFPL's adherence to the code of conduct guidelines as laid down by MFIN, Sa-Dhan, and fair practices guidelines by multilateral agencies and Reserve Bank of India, was evaluated by SME Rating Agency (SMERA) on broad parameters including Client Origination & Targeting, Loan Pricing & Transparency, Loan Appraisal, Privacy of Client Information, Staff Behaviour & Client Grievance Handling, Integrating Social Values into Operations, Relationship Management & Feedback Mechanism and Compliance Status of MFI vis-à-vis the recent RBI Guidelines. The rating score entails recognition that GDFPL has a "Higher Level of Adherence" to all these parameters of code of conduct laid down by regulators and towards ethical. The rating was valid till 30th June 2019 and we will do the next rating in the month of July 2019. The MFI rating assigned is M3 which also signified sufficient to manage the operation at current operation level. The assessment has mentioned several strengths of the company as given here.







Strengths

- GDGPL has five-member board having extensive experience in the banking and finance segment.
- Board approved policies, compliant with the RBI guidelines.
- Experienced and qualified management with over a decade of experience in microfinance sector.
- Code of Conduct framed as per the GDFPL mission, vision values are displayed in all branch offices & HO.
- Membership with Sa-dhan, SRO. Operational and credit policies are well documented and communicated to its staff members.
- Adequate client origination, loan appraisal and recovery mechanism.
- Compulsory training on products terms and conditions to products every loan.
- Compulsory check on over indebtedness of every borrower. Date sharing with all credit bureaus (Equifax, CIBIL, Experian and CRIF High Mark).

Risk Management

Roadmap for operationalizing the framework

Assess existing framework	Risk governance module
Benchmark with leading practices	Liquidity risk module
Identify improvement opportunities	Credit risk module
Develop Implementation Roadmap	Operational risk module
	IR risk module & ICAAP
	MR module & knowledge transfer

The challenges in terms of risk mitigation in MFIs have been met and to a greater extent all the products, processes, procedures, existing or proposed, have been made to conform to the Risk Management framework.

Risk management in the company has evolved out of benchmarking of the best competitive practices, our own risk appetite and historical portfolio performance and our philosophy on taking additional risk the company has robust RM frame work in place and the company can say with pride of having one of the best RM & RF frameworks and practices in the microfinance industry.

Internal audit and control department keeps on flagging up the risks that may arise in due course of operations through the regular audit process. The committee strictly monitors the development in the market and also internal operational aspects. We have a very well defined internal audit and control system in place. Our Internal Audit plan is approved

SCORES ON PARAMETERS

Code of Conducts Parameters	Code	% Performance
Sensitive	SEN	96%
Integrity and Ethical Behavior	IEB	90%
Transparency	TRP	89%
Client Protection	CLP	92%
Governance	GOV	87%
Recruitment	REC	65%
Client Education	CLE	89%
Feedback and Grievance Redressal	FGR	80%
Date Sharing	DSR	70%



GDF has well defined Risk Management framework in place which was developed with technical support of Deloitte sponsored by IFC the company could now make use of the same on a regular basis. The Management Committee sits every month with the management group and reviews the risk aspects of the company. The Risk management has become so important in today's microfinance context that without having a risk management framework it is not safe to go ahead with expansion or

by the Board Audit Committee. The Internal Audit Department is responsible for monitoring and evaluating the internal controls of the organization and also its adherence to various statutory and regulatory compliances. These audits are diligently carried out at the branches and the head office. The internal audit committee is headed by an independent director and one director. We have also a team consisting four retired bank managers who audit the branches as well as the head office as and when they are assigned. We have an understanding with that team and have been continuously helping the company with their rich experiences. The plan includes comprehensive audit of documents, registers, and branch processes on a quarterly basis. These apart, emphasis is given to field processes like client sourcing, centre meetings, loan utilization checks, and extensive visit to the clients. The execution time for each audit is over a period of 16 to 20 days depending on the volume of business of the branches.





Internal Audit

The company has got an in house team headed by a manager under the supervision of the audit committee of the board. The team carries out the field audits according to the pre-defined plan. Audit in each standard branch is carried out at least three times each year whereas the substandard branches are audited four times. Audit practices

are very comprehensive covering These audits are very comprehensive - covering Documentation audit, Branch Process audit and Field audit which also includes extensive independent Customer visits. Each audit is executed over a period Of 3 to 5 man days depending on the business volume of the branch. We have also a branch grading system. During the last quarter audit out of 24 branches



Sl	Branch	Q1 June18	Grade	Q2 Sept18	Grade	Q3 Dec18	Grade	Q4 March19	Grade
1	Chhaygaon Branch	87	A	80	B+	86	A	81	B+
2	Loharghat Branch	90	A	90	A	91	A	84	B+
3	Dhupdhara Branch	61	C	67	B	63	C	83	B+
4	Boko Branch	86	A	87	A	87	A	82	B+
5	Matia Branch	89	A	84	B+	87	A	90	A
6	Dudhnai Branch	81	B+	82	B+	85	A	86	A
7	Tikrikilla Branch	89	A	89	A	91	A	91	A
8	Mendi Branch	87	A	85	A	87	A	83	B+
9	Azara Branch	88	A	89	A	89	A	82	B+
10	Lokhara Branch	87	A	86	A	85	A	85	A
11	Garchuk Branch	87	A	84	B+	84	B+	85	A
12	Beltola Branch	84	B+	83	B	84	B+	84	B+
13	Shillong Branch	88	A	87	A	86	A	85	A
14	Dimapur Branch	88	A	87	A	87	A	85	A
15	Sualkuchi Branch	85	A	86	A	91	A	83	B+
16	Kulhati Branch	86	A	85	A			78	B+
17	Noonmati Branch	72	B	83	B+	78	B+	80	B+
18	Pathsala	88	A	86	A	85	A	88	A
19	Bongaigaon	94	A	93	A	85	A	87	A
20	Makum	93	A	90	A	88	A	89	A
21	Margherita	91	A	91	A	92	A	92	A
22	Tezpur			88	A	87	A	86	A
23	Udalguri								
24	Aizal								

- After-audit meeting in branches.
- Comprehensive audit of all the departments at Head Office.
- Social audit in terms of behaviour of the staff towards clients.
- Adherence of appropriate collection mechanism,
- Grievance from the field offices are also recorded by the audit team.
- Adherence to fair practice code and code of conduct adopted by the Company





There has been significant improvement in the scoring by the branches in comparison to the corresponding years' scores. Grading is current opinion on the ability of a branch to conduct its operations in scalable and sustainable manner. The grading is assigned on 6 point scale with "A+" being the highest, and "D" the lowest. Grading is a measure of overall performance of a branch on a broad range of parameters viz., Financial and Reporting Books, Member Information Compliance, Management Information System, General Audit, Processes, Human Resource, Micro Insurance, Social performance management, Field. There is scope of improvement. None of the branches has been able to score 'A+' grading in the said quarter. The process has been immensely helpful in finding out the branch performances and thereby it is providing the motivation and efforts that need to be put by the branches and also by the operation team.

The Board appointed independent Internal Audit firm

carries out comprehensive Half Yearly audits, at branch office and at head office, covering all key functions including HR, Operations, Credit, Administration, Finance and Accounts. The firm also audits the company's adherence to all Statutory and Regulatory guidelines that have been prescribed for NBFC-MFIs. The scope of various audits are reviewed and modified continuously to keep pace with the dynamic business environment. A strong compliance monitoring mechanism ensures that all critical issues are tracked until closure within specified timelines. All critical audit findings are presented and discussed at the Board meeting and Management Committee meetings every month. Key audit findings of Audit team (both internal and external) are communicated to the Board Audit Committee, which meets every quarter, for their review and for necessary action. Monthly audit updates summarizing audit trends and critical issues are also communicated to the Board.

Vigilance



The company has put a system in place that keeps it alert, watchful and in circumspection. There is a preventive vigilance on the part of the top management of GDF.

So far because of this alertness the company has been able to have no loss in terms of financial loss. We have successfully minimized major cash handling

risks in co-ordination with cash management team with increased cashless disbursements. ECS repayment processes were started last year. The volume has not grown but it is expected that it will substantially reduce the cash handling risk in future. As a first line of defence, we assisted the Human Resources Department by independently assessing the integrity of the proposed candidates as part of the onboarding process. We conduct employee background verifications through a BGV (Background Verification) process. We believe that these preventive measures that we explored have resulted in the lowest fraud count since inception.

Credit

Credit management system of GDF is strong and it has been proved to be an effective system. The performance of the company reflects it clearly. We have been able to maintain a repayment rate of 99.64% and the PAR at 0.43%. Over the years' of experience we have been successful in putting strong risk culture amongst our people and meticulous execution. The stable industry and regulatory

environment enabled us to focus on a number of initiatives driven towards optimizing resources for increased efficiencies, reduced loan turnaround time, strengthened compliance and portfolio management. The structured credit policies aligned to occupation and income levels of clients along with the credit bureau reports have helped attract quality clients, thereby containing the overall very low risk.





Operational Risk



The Company Proudly Claim That This Is One Of The Companies In The Industry With Lowest Staff Attrition Rate Which Is A Very Critical Influencing Factor In The Microfinance Industry. The Company Has Attrition Rate As Low As 2.5% In Comparison To 1.1% During The Previous Financial Year. We Are Also Working Towards Minimum Cash Handling By Introducing Cash Less Transaction Both In Terms Of Disbursement And Collection. We Have In Fact 100% Disbursement Through Bank Transfer. Slowly, We Have Moved To Cash Less Collection As It Has. We Have achieved 100% Cashless Disbursement. But Except One Branch We Collected Over 90% Of Repayment In Cash. Slowly The Company will Shift To 90-100% Cash Less Repayment Through Electronic Medium. This Process Is Going To Lessen The Operational Risk Substantially And Thereby It Will Provide Comfort To Different Stakeholders.

Service Quality

In comparison to last year our turnaround time from origination to disbursement has drastically reduced post BC arrangement with ESAF Small Finance Bank. Because of small size the ability of resource mobilization of the company is naturally limited as that has led to postponement of loan disbursement in the early years. Now we do not have that problem and we serve as fast as any other bigger MFI. Sometimes we even faster than others. The staff members have always been trained to be modest in manner with the borrowers; they have been groomed to be compassionate at the same time professional. We have excellent customer connects and retention. We have strengthened customer retention programs and grievance redressal mechanisms, built over the past years.



Traditionally we have used a dedicated phone line for customer grievance, primarily attending inbound calls/requests. We have also a system that every year we circulate self-stamped envelope to groups in all the branches. The members can write the grievances and post in the stamped envelope to the concerned department in the Head Office. All the grievances are recorded and action is taken case to case basis and also reverted back to the person for necessary redressal. Recently we have introduced the text message system integrated in our MIS system. The moment a loan is disbursed a message is delivered to the registered mobile no and the borrower can accordingly plan to withdraw the loan amount from the bank account.

MANAGEMENT INFORMATION SYSTEM (MIS)

We have got a strong IT team comprising a System Manager assisted by two technicians. The IT infrastructure is sufficient for the current future bigger portfolio at least till the portfolio increases up to Rs.500 Cr. It backs efficiently the business operations and deliver financial services to customers has always been a top focus area for GDFPL. We are

experiencing great momentum in terms of challenge resulting in the need to capture more data and undertake new processes to meet regulatory requirements. We use the software for MIS, Content Management, Workflow and Process Management.





This technology helps in eliminating movement of customer documents between departments for loan processing. We have also introduced the system of online loan sanction. Unlike before now the applications do not move from branch to the approver, rather they can accord their approval from anywhere. We are using the MIS software developed by Force Ten Technologies Pvt Ltd. The system is with core banking principle and branches are connected by internet, mostly via data card, although we have broadband connection at the Head



Office. The MIS software is now completely online. We do not have our own server and the data base is on cloud. However, we get regular back up which is stored in our local computer. GDFPL has got real time data uploaded on the software and instant MIS reports are available for management decision. In addition there is a daily reporting system in place which helps us getting updated regularly on various aspects like number of defaults and the reason of default etc. These reports play very important for management on taking various decisions on real time data available. After the MIS software has been made online the company has really got a boost in terms of efficiency of the staff and also in terms of manual work load for the staff members. The software has the ability to support a portfolio of about Rs. 1000 Cr as has been tested elsewhere.

Human resources:



The greatest strength of GDFPL is its strong committed human resource team with minimum attrition rate. The team strongly abided by the organization's Vision of being Committed, Reliable, Empathetic, Accountable, Transparent and Efficient. The NER part of the country has always faced with the problem of skilled and quality human resource availability. The HR department of the company ensures that the company values are genuinely met for all internal resources. The department continues to work towards different employee welfare benefits

including Birthday, Wedding, Insurance, PF and Gratuity. The Human Resource (HR) department at the Company deals with management of people within the Company and plays a visible part in supporting the growing demands of the Company by enrolling new recruits, training them, and providing refresher, behavioural and functional training to the existing staff.

The primary role of the HR department is to lay down policies and procedures for the conduct of the employees and determine what is expected of the employees and what employees can expect from Grameen Development & Finance Private Limited (GDF). These apart, the HR department lends special focus towards client protection principles and employee grievance redressal. Further, there exists strong policy against sexual harassment at the workplace, which is communicated to all the staffs, rendering the Company a safe place to work for women.

Employees' details are as follows:

Opening balance	No of employees joined	No of employees left	Closing balance	Attrition rate%
103	36	7	132	2.52

“Train people well enough so they can leave, treat them well so they do not want to” Richard Branson





- No delay in payments and filing of returns are always on time.
- All employees are provided with provident fund.
- Covered with accident insurance.
- GDF provides ESI to all the eligible employees.
- Employees attrition rate is much lower than the industry average.
- Reviewed & revised the HR policies and procedures such as recruitment, training, grading, separation, confirmation, etc.
- No pending concerns under labour compliances, sexual harassment and disciplinary committee.



Corporate Governance Report

Corporate governance has become very critical on building confidence and values to the investors, regulators, lenders and the other stakeholders. GDFPL has put in place formalized system of Corporate Governance. Its governance framework enjoins the highest standards of ethical and responsible conduct of business to create value for all stakeholders. Principles of Good Corporate Governance such as ethical approach, balanced objectives, inclusive decision-making process, strategic management, equal concern for all the stakeholders, accountability and transparency are the

foundations of GDFPL's business ethos. The Company does not look at Corporate Governance principles as a set of binding obligations, but believes it is a framework to be followed in spirit. GDFPL is committed to fair practices and is transparent in all its activities and processes with its various stakeholders. The meetings are held on regular intervals. Although it is not mandatory to appoint independent director, to make our corporate governance strong we have 40% independent directors who are from finance and banking background.

The microfinance industry's gross loan portfolio (GLP) stood at
Rs. 1,87,386 Cr. up
38% year on year.



SOCIAL PERFORMANCE MANAGEMENT REPORT

Fair Practices Code and Client Protection measures:

The industry has got its fair practice codes and client mechanism governed by its self-regulatory bodies. In addition RBI has put the fair practice code and client protection measures to be adopted by the MFIs. GDFPL has adopted the Fair Practices Code advocated by the Reserve Bank of India as well as the Fair Practices Code and Client Protection Principles formulated jointly by the Microfinance Institutions Network (MFIN), and Sa-Dhan. The policies have been posted in our website for better understanding in the part of the staff and also for the public for their information and knowledge. GDFPL also endorses Smart Campaign, a global initiative by ACCION on

Client Protection Principles and Best Practices. Smart Campaign is a global campaign committed to embedding client protection practices into institutional culture and operations of the microfinance industry. GDF has got the client protection practices embedded in our institutional culture. GDF is committed to meet adequate standards of care in implementing all of the Client Protection Principles through its operations, product offerings and treatment of clients. The Board Members and senior management personnel affirmed their compliance with the Fair Practices.





Client protection principles:



GDF has adopted the Code of Conducts mandated by Sa-Dhan, MFN and Fair Practice Code issued by Reserve Bank of India.

Preventing over-indebtedness:

The most important client protection principle is to prevent over indebtedness. GDF conducts, Compulsory Group Training (CGT) before giving any loan and during the training a proper due diligence to assess the need and capacity of the client is done through cash flow analysis. Thereafter Group Recognition Test is conducted (GRT). The Company shares and refers data from Credit Information Bureau (High Mark, CIBIL, Equifax and Experian) to avoid multiple lending and over indebtedness. If a member is found within the limit of specified indebtedness from MFI we go for rest of the process and based on income and cash flow the company provides credit to the member. The company has also strictly adhering to the KYC policy of the company so that no duplicate or multiple KYC can be used to avail loans. We have a KYC verification team in the head office and the team authenticate the KYC before sending for credit bureau check.

Transparency:



Clients are normally less educated, so clear and effective communication becomes very important in the part of our front line executives as well as by the senior executives. Information relating to the pricing of loans, duration, effective cost of loans etc part of our lending process etc are communicate effectively through the meeting as well as individual





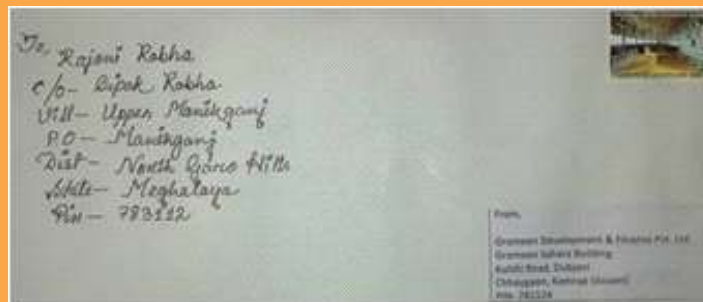
interaction. Loan application contains terms and conditions and pricing of the loan in vernacular language. The interest rate is displayed in loan documents, office premises and website. The price, duration, amount etc are clearly displayed in the loan cards that are issued individually to all the borrowers. In addition GDF also organizes regular financial literacy programs to make the clients aware on savings, accounts, credits, income generating activities, investment etc.



Grievance And Feedback System:

GDF has a reasonably developed grievance redressal mechanism in place for the clients. This is four window system for receiving and resolving the grievances as follows

1. Complaint /Suggestion box in every office premises for instant delivery of any grievance and feedback. The Head office also does have the same placed outside the office building.
2. Dedicated telephone number is written on the back side of the loan Card.
3. There is a Nodal Officer appointed for the purpose and the phone no of the Nodal Officer is displayed in each branch office.
4. Distribution of pre-postage paid envelopes to clients for sending any grievance/feedback directly to the HO.



We have also the system open to the clients to approach with email and by post. The email id and postal address is made available to the clients pass book. Privacy is maintained while dealing with various complaints. The complaints are resolved at the quickest possible time. GDF also carries out an annual client survey to understand various client needs, and expectation etc.





Higher Borrower Retention

Higher borrower retention is always been an indication of clients' satisfaction and service quality. GDF has always had higher retention rate of clients. In certain cases clients have got dropped due to the fact that during the course of our credit cycle some of them took loans from other MFI as we do not give top up loan as per policy and then when our turn Came the member was already indebted by two MFIs. And as per RBI guidelines we could not give them loans. This has caused dropping of clients. Neither the members wanted to leave us nor we wanted to drop them, but we never tried to contrast the existing RBI guidelines. The major strengths are staff behaviour, transparency, good relationship with the clients, timely credit disbursal etc. We have always tried to retain the clients through value base support and services. There is higher customer retention rate which stands at more than 85% which is higher than the last financial year. During the previous two financial years we had retention rates of 83% and 80% respectively. Apparently, if we see the number of clients in in our own book portfolio it looks as if there is higher drop out. But we have got BC arrangement the clients have been either in our BC book or in our own portfolio book and retention here we mean retention of clients under our control.



Responsibility To Staff

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Responsibility to Staff

Staff Attrition

Staff attrition rate is generally high in almost all sectors. But in microfinance sector it is even more. The other important aspect in this case is that the bigger MFIs normally fish the staff from the smaller MFIs working locally. It creates huge problem for the smaller MFIs. However, it is a pride for GDF that staff attrition is very low as compared with industry average. Adequate pre-hire and post-hire training activities ensure alignment with mission and vision and career growth opportunity is provided to the staff with minimum lateral hiring at supervisory level. The company also has provided sweat equity to its staff. Many of them are also members of the promoter group and as a result their ownership has always been attached to the company. In future too the company



has plan to provide sweat equity to all staff who have completed 5 years of services. The attrition rate is as low as 2.5% which is even less than last financial year by 0.5%.

The staff members are provided with benefits and facilities like -Preference given to candidates with rural background, furnished accommodation to all branch staff, Provident Fund for all staff, Gratuity to all staff, Company among a few in the industry to have a 5-day Field work week, Lunch and dining facility provided, Frequent trainings towards capacity building to enable staff to have, professional growth, Topics related to are Financial Literacy, Leadership, branch Operations, Management, Health issues, Sanitation, Personal and Home Hygiene, Disease, Prevention, Women's safety etc.

Competitive Strengths and Strategies of GDFPL

MARKET POSITION



In terms of portfolio size GDF is placed 3rd among the seven NBFC-MFIs in the region. This is a small size company. Given its support available from Grameen Sahara GDF is positioned better in certain pockets in Assam and Meghalaya. Strategically, the company has expanded to various locations based on the support received from Grameen Sahara by way working with already mobilized beneficiaries in those locations for other development projects that have been implemented by Grameen Sahara. We are focused on the farmers and small traders. The company has also focuses on those who are enterprising but poor. Micro-enterprise support efforts have been a continuous task in the part of both the GDF and Grameen Sahara. The group also has got other enterprise entities that primarily take

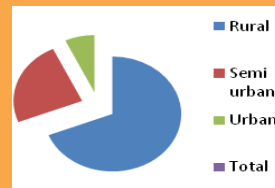
care of marketing support. The company will continue to work with this mode to position itself in the market.





Higher Rural Penetration

Rural penetration of services in more and will remain rural and semi urban focus. 69% of the clients are from rural areas, 24% from semi-urban areas and only 7% from the urban areas. As part of its growth, the company has opened branches which are mainly in rural areas. In fact There is a decrease in terms of rural coverage. Last financial year it was 75%, but this year it has come down to 69%. This has been due to current development in various geographies. Many places are being now categorized as semi urban areas rather than considering them as rural areas.



7% borrowers from urban
69% borrowers from rural areas and
24% borrowers from semi-urban areas

Customer Interaction

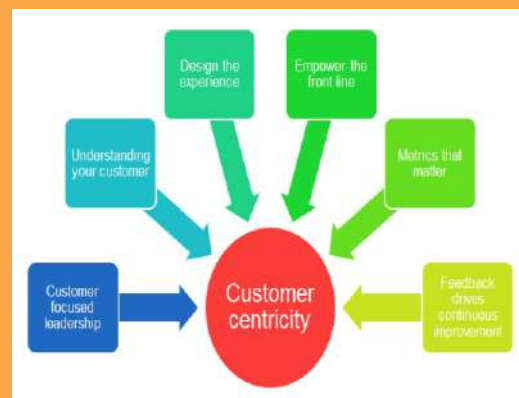
GDF has a biweekly meeting model in operation. Therefore, every two weeks the customers get opportunities to interact with the representative of GDF. Customer interaction and awareness programs like regular camps, has extensively helped the company to understand the needs of customers on time to time basis. Feedback at all levels is taken from customers and adopted at all levels of the service delivery.



The senior team when visit the branches we have a system to visit clients and interact with them. Similarly, the auditors also visit and interact with the clients on a regular basis. Interaction action is also kept live through other development support initiatives either directly by the company or through the NGO wing.

Product Design - Customer Centric & Sustainable

The company has got designed products that suit the customers. Although we do not have many products, we have products which the borrowers have always preferred. In recent times many customers have joined here as customers who were earlier customers of other companies. Our repayment schedule is neither long nor too short. Although we have not been able to provide to meet all the needs from birth to death the company has always kept in its mind to meet in future all such needs. Customers are free to avail loans at any time during the year as because we give loans even to one member as well if she is a member of a group. The regulatory requirements have to, however, meet. The company has always endeavour to become the most preferred company in the region.





Employee-friendly Organisation



GDFPL provides medical and accidental insurance, staff loan facilities, salary advance, leave encashment facilities and so on. Women employees are given 6 months maternity leave which many organization still continues with 3 months maternity leave norms.

GDF is an employee friendly company. We have 5-days a week field work. The employees can come and access easily the senior management for official and personal issues. The MD and other senior management people are very friendly and participates various programs organized for the field and office forces. The staff attrition rate is as low as 2.5% which is very low as compared to the industry standard. Although the company is small in size the remuneration level is at per market given the educational qualifications and experience and employee welfare schemes have been implemented which have resulted in low attrition.

Efficient & Stable Management Team

One of the greatest strengths of GDF is that it has got a very stable management. Since its inception when it was under Grameen Sahara NGO there is no change in management. The same management who ran the microfinance program under NGO microfinance, the same set of management has been running the company. A complete professional

management have been brought to the company post transformation from NGO microfinance to a regulated NBFC MFI operation. As a result the company has been stable and very fast in decision making. Decisions are effectively implemented very fast. Management is open and friendly with the field force. Without hesitation the staff members can approach the senior management.

Differential Interest Rate:

GDFPL has taken the challenge of offering differential rates on lending to different segments and to different areas. We understand the challenge still because of the sincere effort and clear communication to the borrowers by our colleagues the company has lent in differential rate of interests still has not faced any problem. The families belonging to SC and OBC communities we have provided loans at 4% and 12% respectively. We have been financed by National

Scheduled Caste Development Finance Corporation and North-Eastern Development Finance Corporation. We have also been able to reach 4 underserved locations in 2 states Meghalaya & Nagaland - and there too with funding support of NEDFi we have been providing loans at 18% whereas our lending rates in normal case is 24%.

The estimation indicates that the demand for microfinance in Assam ranges from

INR Core to **INR**
38018.6 Core with an average
demand of **INR 8824.2** Core.

Considering mix market average loan size, it depicts that microfinance supply is

98.9% deficient to meet the demand of microfinance of Assam.

Difficulties are meant to rouse, not discourage. The human spirit is to grow strong by conflict.
William Ellery Channing





Success Stories From The Field

Actions speak louder than words

1. Ruhila Narzary

Mrs. Ruhila Narzary, 33, is a resident of village Borodoldonga under Tikrikilla development block, West Garo Hills, Meghalaya. Lives with Her husband and three children one son and two daughters. The Economy and livelihood of villagers depend primarily on agriculture. Some are engaged in small businesses like rubber processing, wood Processing, vegetable vending, small vending etc. Her husband is a Farmer who is basically land less and ploughs on lands rented in. Arbinda, husband of Ruhila worked so hard for their family to give a comfortable life. The monthly income earned by her husband is not enough for the whole family to meet the basic requirements. Hence, she always had desires to do something to support her husband financially. Mrs. Ruhila is a very hard working woman and she never wanted to live her life as a house wife. But their economic conditions always stand as an obstacle in their path of happiness. Being her husband is the only one earning person in the family, they have faced so many difficulties to running their day to day lives. However she always wanted to provide a better life, better education and a better future to her children. But, it is impossible for her to make it happen with the tiny income of the family earned. She was decided to start some small business through which she can contribute at least a minimum amount in their monthly income. She had no any idea about how to start a business? How to get the financial support? Hence she continuously was looking for some sources from where she can take loan and start her own business through which she can fulfil her family requirements. In the year of 2013, Grameen Sahara, an NGOMFI, got in her village and started giving small loan to the needy women and who like to start their own business to increase their family income. Mr. Arbindra Narzary comes to know about the organization from their neighbour Mrs. Silme R Marak, a client of Grameen Sahara, from JLG no. 03, Centre Aitibi and learn about all the procedure of loan. She immediately come to the Aitibi Centre, Grameen Sahara and showed her interest to join as a client in JLG no 08. She started her business with a little Pan Shop near at Kristujoyti Higher Secondary School by the support of Grameen Sahara, as taking a loan of Rs. 10,000. "Expectation has never end", Mrs. Ruhila wants to develop her Pan shop to a Grocery shop. Due to her hard work, she was able to make it happen & in the year of 2013, she opens a grocery



shop of her own. But the income earn by the shop is not sufficient to meet their expectation & their basic needs. Somehow they live their daily lives. Although, the condition of the family is not well at that time, she never escapes from her business and after six or seven months, her business growing speedily as per her hard work. Later she increased her business and took the second loan of Rs.15,000 from GDF (Later the mF program of Grameen Sahara was transformed into GDF-an RBI registered NBFC). She could expand her shop with more number of items including rice, sugar, and other grocery items. She then availed the next loan of Rs.20,000 and purchased a refrigerator. She started selling ice cream, cold drinks etc. Now the business looked promising. Now they are much better off than the time she was struggling to take a loan. The shop is now the identity for her and her husband. The last loan she availed is Rs.40,000 in the year 2018. She has built her cemented floor and wall which was earlier katcha. She has been able to provide her family a sustainable & a secure income. She is now thinking to add more services from her shop like TV recharge, Mobile recharge and Top-up etc to meet the requirements of the customer. Now days, all most every items are available in her shop. She has always been regular in repayment and she has become an inspiration to others.





2. Ms. Lili Malakar

Ms. Lili Malakar is a very hard working and sincere woman. She and her husband work as daily-wage labor and dependent on each other for survival. They want to provide their family a better life but their earning by them is insufficient to run their family's day-to-day requirements. Ms. Lili Malakar had a fishery of four Bigha but she was underprivileged and had no proper idea as well as money to make right use of the fishery. Her husband being the only earning person was unable to run the needs of the family. They faced lots of financial problem during that time of poverty. She wanted her sons to be well educated but had no source of income to fulfill their needs. Mrs. Malakar was constantly thinking to make proper use of her fishery but had no idea about how to do and what to do. At that time she heard about the loan scheme of Grameen Development & Finance Pvt. Ltd. from one of her neighbours. She immediately came to GDF's office, and requested for a loan for the purpose of fishery. GDFPL, which is always ready for the help of sustaining livelihood, offered her a loan of Rs. 15,000 as the 1st cycle loan. And also suggested Mrs. Malakar for 3 months training on

pisciculture under Gram Panchayat. Thus they got trained and started Fish farming and by the end of the year they earned more than Rs. 28000/- from selling fish and returned the loan. Then she took the 2nd cycle loan of Rs. 20000/- and used the entire amount to the fishery. She took her 3rd cycle loan Rs. 30000/- in the year 2017 respectively.

Recently in this year she took a fourth cycle loan of Rs. 39000/- and the profit has further increased. As she extended the use of her fishery their income grew up from 150000/- to 160000/- per year. The proper time of producing fish is from the month of March to April. They bring fingerling from Calcutta that cost Rs. 400 per Kilogram. Her annual food cost is Rs. 35000/-. Yearly Expenditure and Income Report. The lady who was once used to be a helpless woman is now able to live a better life. The most noticeable fact is that she is not only engaged with fish farming but also in weaving activities. Earlier Lili Malakar's family had no hope for the future but at present she is happy with her family and could meet the educational needs of her children.

Ratio Of Remuneration To Each Director

Directors are paid Sitting Fees as approved by the Board and remuneration is given only to one whole time Director, who is the Managing Director & CEO. The disclosure pertaining to Ratio of Remuneration to Director/s to the median employee's remuneration is in the table below –

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.				
Key Management Personnel	Nature of Relationship			
SARAT CHANDRA DAS	Managing Director			
DANDI RAM KALITA	Director			
Nature of Transactions				
Particulars	31ST MARCH, 2019		31ST MARCH, 2018	
With Key Management Personnel	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding
i. Sarat Chandra Das				
Salary & Remuneration	842,448		761,808	
ii Dandi Ram Kalita				
Salary & Remuneration	420,000		420,000	
Total	1,262,448		1,181,808	





Non-financial Services

More than its own nonfinancial services to its customers, GDF primarily facilitate required livelihood support services from Grameen Sahara and other such agencies and government departments. Some of the direct nonfinancial services are actually related to financial services only such as building awareness about financial education, financial literacy, microenterprise development program, health check-up and health camps etc.

During the reporting period GDF have conducted 7 such programs in various areas of its operation. Experts from Allahabad Bank, LICI and specialists Doctors from GNRC and Shankar Netralaya were invited to the programs. Also it has also been working on financial linkages with banks and capacity building of micro-entrepreneurs' in all six districts where the company has been operating. GDF has consulted and finally decided to

go for cross selling of products to its borrowers.

In the villages still there are lot of families who are still using traditional chula that is harmful to the health of the women. The company has decided to get into support in getting smoke less chula for the women. The company is keen to widen its service profile and has been working with Grameen Sahara for the benefit of the customers through various development support endeavour. Similarly we are also in discussion with solar companies with a view to provide solar based utility services with the sole aim of contributing to the nature. The company is attuned to the sustainable development goals set by the global community. Financial inclusion is not the only aspect the company would like to address. Rather side by side the company is also putting effort to collaborate with other agencies which are working towards the achievement of sustainable development goals.

Product Details

The Company offers following set of microfinance services:

- JLG loans for working capital needs and income generation
- Individual loans for working capital and asset creation for existing business
- Insurance (In collaboration with Bajaj Allianz and LIC)
- Credit Plus Services

GDFPL provides loans exclusively to women for meeting their working capital needs and diversifying income sources by taking up livelihood activities and also for up scaling existing businesses through income generating asset creation. It works with poor as well as not so poor categories of people living in both rural and semi urban areas. The following table describes about the different features of the Loan products offered by the Company. Since Grameen Sahara the development organization works with the company hand in hand various needs of the clients of the company are met by that organization. Technical assistance, skills training, financial literacy, marketing support and leadership development supports are provided by Grameen Sahara.

The Company's loan product is exclusively offered for income generating activities and thereby 100% of its loan portfolio is exclusive for income generating activities.

The Company offers following values with its services:

- Easy and simple process of accessing its services
- Door step delivery and collection of loans
- Less time consuming procedures
- Different repayment schedules for different segments in accordance to RBI norms.
- Facilitate need based technical services
- Facilitate insurance services





Micro-insurance

Micro-insurance is an added services provided to the clients of GDF. This is done through collaboration with LIC, Bajaj and Kotak. In fact we have stopped working with Bajaj as because there were certain issues cropped up during the course of operation. As on 31st March 2019 we have covered **53,948** lives across the microfinance clients and their family members. As per plan we are going to cover around **1,20,000** lives by end of the current financial year through micro-insurance. Total death claims settled is has been **97** with an amount of **Rs.24 lakhs**, total number of policies surrendered is **539** with an amount

of **Rs.18.90** lakhs and also a total of **127** numbers of policies have matured with a payment of **Rs.14.60 lakhs**. We have not got into asset insurance so far. Future plan is there to cover assets including livestock and animals. In case of death of borrower the entire sum assured is given to the nominee. Insurance has helped both the company and the borrowers for all unexpected happenings. There has been discussion on providing them with other insurance like health, accident and such other essential insurance products and we are exploring the best policy with the insurance companies.



Outreach And Branch Network



Assam- Bongaigaon, Barpeta, Tezpur, Udalguri, Sonitpur, Tinsukia, Kamrup, Kamrup (M) (8 districts), Meghalaya West Garo Hills, North Garo Hills, Shillong, (3 districts), Nagaland Dimapur - 1 district and Mizoram Aizal - 1 district. We, as on 31s March 19 operate from -

*The growth rate during the reporting period is **83.5%** in terms of portfolio.*

*The company has reached **3** new districts in Assam and Mizoram. In Udalguri district under Bodoland Territorial council we have been the first MFI to start providing microfinance services.*

GDF currently has been working in

4 States –
13 Districts
23 Branches





AUDITOR'S REPORT:

D.PATWARY & CO.
Chartered Accountants



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BASTI, UDAYACHAL PATH, BEHIND PETROL
PUMP, GUWAHATI ASSAM 781005
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Independent Auditor's Report

To the Members of Grameen Development & Finance Pvt. Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Grameen Development & Finance Pvt. Ltd.** ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 in the manner so required and give a true and fair view in conformity with the Accounting Standards and other Accounting Principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019 and its profit and its cash flows for the year ended on that date.

Basis For Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, 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 opinion.





AUDITOR'S REPORT:

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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.

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

Auditor's Responsibility 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





AUDITOR'S REPORT:

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.

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.





AUDITOR'S REPORT:

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(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"; and

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

i. the Company did not have any pending litigations to impact its financial position
ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For, D PATWARY & CO
Chartered Accountants
(Firm's Registration No.324523E)

DEEPAK PATWARY
Partner, Membership No.060467



Place: Chagaon
Date: 02/07/2019





AUDITOR'S REPORT:

Annexure-A to the Independent Auditors' Report of even date on the Financial Statements of Grameen Development & Finance Pvt. Ltd..

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2019, we report that:

(i) (a) The Company has maintained records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of one year. In accordance with this programme, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) 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 immovable properties held in the name of the Company.

(ii) The Company is a Non- Banking Financial company (NBFC), primarily giving micro-finance loans. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.

(iii) (a) The Company has not granted any loans to the person covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Consequently, the provisions of iii (b) and iii (c) of the order are not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security made.

(v) The Company has not accepted any deposits from the public.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) 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 provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other





AUDITOR'S REPORT:

material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities, where applicable.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, no dues of income-tax, sales tax, service tax or value added tax were in dispute.

(viii) The Company have not defaulted in repayment of dues to financial institution, bank and debenture holder.

(ix) Term loans raised during the year were applied for the purpose for which those were taken. But at the year end the total amount of loan outstanding was Rs. 47.56 crore out of which Rs. 4.63 crore were lying as undisbursed, so net amount available for on-lending was Rs. 42.93 crore. Amount of on-lending with margin should be Rs. 43.72 Crore whereas outstanding balance of loan given to clients is Rs. 40.22 Crore thereby making a deficit of Rs. 3.5 Crore. Company claims that the fixed deposits lodged with lenders as security are much higher than such deficit.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.





AUDITOR'S REPORT:

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made allotment of 20,00,000 OCPS @ 10/- each and 7,75,000 CCPS @ 10/- each the allotment is as per the provision of act and the amount raised is used for the purpose for which fund were raised.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable

(xvi)The Company is registered under section 45-IA of the Reserve Bank of India Act 1934 as Non-Banking Financial Company. The status was changed to Non - Banking Financial Company-Micro Finance Institutions (NBFC-MFI) with effect from 12.12.2014.

For, D PATWARY & CO
Chartered Accountants
(Firm's Registration No.324523E)

DEEPAK PATWARY
Partner
Membership No.060467



Place:Chaygaon
Date:02/07/2019

UDIN: 19060467AAAACU5234





AUDITOR'S REPORT:

Annexure-B to the Independent Auditors' Report of even date on the Financial Statements of Grameen Development & Finance Pvt. Ltd.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Grameen Development & Finance Pvt. Ltd.** ("the Company") as of March 31, 2019 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 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 Companies Act, 2013.

Auditors' 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 judgement, 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





AUDITOR'S REPORT:

we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, D PATWARY & CO
Chartered Accountants
(Firm's Registration No.324523E)


DEEPAK PATWARY
Partner
Membership No.060467







Place:Guwahati
Date:02/07/2019

UDIN: 19060467AAAACU5234





AUDITOR'S REPORT:

GRAMEEN DEVELOPMENT & FINANCE PRIVATE LIMITED (Formerly Known as SHARNARTHI LEASING FINANCE PVT. LTD.)			
		₹	₹
BALANCE SHEET AS AT		Note	31ST MARCH, 2019
			31ST MARCH, 2018
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	67,606,480	37,731,480
Reserves & Surplus	4	15,914,888	11,674,234
		83,521,368	49,405,714
NON-CURRENT LIABILITIES			
Long term Borrowings	5	209,296,561	141,473,074
Long term Provisions	6	1,493,922	1,580,379
Deferred Tax Liability (Net)		-	-
		210,790,483	143,053,453
CURRENT LIABILITIES			
Short term Borrowings	5A	-	-
Trade Payables	7	1,661,174	717,852
Other current liabilities	8	268,510,657	201,374,377
Short term provisions	6	4,847,377	3,577,352
		275,019,208	205,669,581
TOTAL		569,331,058	398,128,748
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	9		
- Land		394,100	394,100
-Tangible Assets		4,611,835	3,819,639
-Intangible Assets		734,361	339,039
Deferred Tax Assets		1,037,521	704,789
Other Non Current Assets	10	127,711,440	86,626,487
		134,489,258	91,884,054
CURRENT ASSETS			
Cash and Cash Equivalents	11	130,589,307	72,186,330
Short term loans and advances	12	285,865,901	221,175,809
Other current assets	13	18,386,592	12,882,555
		434,841,800	306,244,694
TOTAL		569,331,058	398,128,748
Significant Accounting Policies and Notes		1 & 2	-
The accompanying notes are forming an integral part of these Financial Statements			
For D. Patwary & Co.		<i>For and on behalf of the Board of Directors</i>	
Chartered Accountants			
Firm Registration No. 324523E			
 Deepak Patwary (Partner) M. No.060467		 Managing Director DIN: 02849186	 Director DIN: 06902163
Date: 02.07.2019			
Place: Guwahati			
UDIN: 19060467AAAACU5234			





AUDITOR'S REPORT:

GRAMEEN DEVELOPMENT & FINANCE PRIVATE LIMITED (Formerly Known as SHARNARTHI LEASING FINANCE PVT. LTD.)			
		₹	₹
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED		31ST MARCH, 2019	31ST MARCH, 2018
	Note		
Revenue from Operations	14	77,003,072	69,123,650
Other Income	15	10,827,086	4,791,593
Total Revenue		87,830,158	73,915,243
EXPENSES			
Employee Benefits Expenses	16	22,544,102	18,105,215
Depreciation		1,310,554	982,865
Finance Cost	17	47,406,876	41,060,934
Other Expenses	18	8,074,879	7,024,215
Provisions and Write-offs	19	1,189,064	(108,401)
Total Expenses		80,525,475	67,064,828
Profit before Proir Period & exceptional Items		7,304,683	6,850,415
Prior Period Expenses		-	-
		7,304,683	6,850,415
Tax Expenses:			
(1) Current Tax		2,307,764	1,980,000
(2) Deferred Tax (Assets)/Liabilities		(332,732)	30,048
(3) Tax of Earlier Years		137,851	59,425
Total Tax Expenses		2,112,883	2,069,473
Profit for the Year		5,191,800	4,780,942
Earning Per Equity Share			
(1) Basic		1.30	1.63
(2) Diluted		0.96	1.28
Significant Accounting Policies and Notes 1 & 2 The accompanying notes are forming an integral part of these Financial Statements			
For D. Patwary & Co. Chartered Accountants Firm Registration No. 324523E		<i>For and on behalf of the Board of Directors</i>	
Deepak Patwary (Partner) M. No.060467			
Date: 02.07.2019 Place: Guwahati	UDIN: 19060467AAAACU5234	Managing Director DIN: 02849186	Director DIN: 06902163





AUDITOR'S REPORT:

GRAMEEN DEVELOPMENT & FINANCE PRIVATE LIMITED (Formerly Known as SHARNARTHI LEASING FINANCE PVT. LTD.)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Particulars	2018-19	2017-18
	RUPEES (₹)	RUPEES (₹)
Operating Activities :		
Profit Before Tax and extraordinary items	7,304,683	6,850,415
Adjustments for :		
Loan Loss Provisions & write off	1,189,064	(108,401)
Depreciation	1,310,554	982,865
Provision for Gratuity	-	-
Operating Profit Before Working Capital Changes	9,804,301	7,724,879
(Increase)/Decrease in Micro Finance Loans	(99,777,525)	(59,346,535)
(Increase)/Decrease in Other Current Assets	(5,605,975)	(1,877,829)
(Increase)/Decrease in Non Current Assets	(5,233,710)	(989,115)
Increase/(Decrease) in Current Liabilities	1,747,805	(443,894)
Increase/(Decrease) in Trade Paybles	943,322	645,634
Payment of Advance Tax	(2,989,988)	(2,297,759)
Net Cash Provided By/(Used In) Operating Activities (A)	(101,111,770)	(56,584,619)
Cash Flow From Investing Activities		
Purchases of Fixed Assets	2,498,073	450,079
Net Cash Provided By/(Used In) Investing Activities (B)	2,498,073	450,079
Cash Flow From Financing Activities :		
Increase in Borrowings	133,088,966	47,366,024
Proceeds From Issuance of Share Capital	29,875,000	2,631,480
Dividend paid	(951,146)	251,331
Share Premium	-	1,118,520
Net Cash Provided By/(Used In) Financing Activities (C)	162,012,820	51,367,355
Net Increase In Cash And Cash Equivalents (A+B+C)	58,402,977	(5,667,343)
Cash And Cash Equivalents At The Beginning Of The Year	72,186,330	51,386,290
Cash And Cash Equivalents At The End Of The Year	130,589,307	72,186,330
Cash And Cash Equivalents Comprises of :		
1. Cash In Hand	451,063	34,517
2. Balances With Scheduled Banks	130,138,244	72,151,813
	130,589,307	72,186,330


As per our report of even date annexed herewith

For **D. Patwary & Co.**
Chartered Accountants
Firm Registration No. 324523E

For and on behalf of the Board of Directors


Deepak Patwary
(Partner)
M. No.060467




Managing Director
DIN: 02849186


Director
DIN: 06902163

Place : Guwahati
Date: 02.07.2019 UDTN: 190604GTAAAACU5934





AUDITOR'S REPORT:

GRAMEEN DEVELOPMENT & FINANCE PRIVATE LIMITED
Formerly Known as SHARNARTHI LEASING FINANCE PVT. LTD.)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

Note-1 NATURE OF OPERATION:

Grameen Development & Finance Private Limited (here in after referred as "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. 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 converted from NBFC to Non-Banking Financial Company-Micro Finance Institutions (NBFC-MFI) with effect from 12.12.2014 bearing certificate number B-08-00185.

All financial transactions are conducted in group meetings organised near the inhabitants or work place. 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.

1.01 Corporate Information

Sharnarthi Leasing & Finance Private Limited was incorporated on 20 July 1989 in National Capital Territory of Delhi vide registration no. 55-037029 to carry on the business of Non-banking Finance Company.

The registered office of the company was shifted from NCT of Delhi to the State of Punjab in the year 1999 and subsequently from State of Punjab to the State of Assam during the financial year 2013-14. Consequent to shifting of registered office to the State of Assam, a new Certificate of Incorporation bearing no. U65921AS1999PTC011755 dated 16 January 2014 was issued by Registrar of Companies, Shillong.

The company was granted a Certificate of Registration (CoR) bearing no. B-06.00271 dated 10 May 2000 by Reserve Bank of India, Chandigarh to carry on the business of non-banking finance company under section 45(IA) of Reserve Bank of India Act, 1934. Consequent to shifting of registered office of the company to the State of Assam, a new Certificate of Registration (CoR) bearing no. B-08.00185 dated 14 March 2014 by Reserve Bank of India, Guwahati.

The company has changed its name to Grameen Development & Finance Private Limited and a fresh certificate of incorporation bearing CIN-U65921AS1999PTC011755 was issued by the Registrar of Companies, Shillong during the financial year 2014-15.

The company has also converted into a NBFC-MFI and a fresh Certificate of Registration was issued by RBI, Guwahati pursuant to change of name of the company.

Note-2 SIGNIFICANT ACCOUNTING POLICIES:

2.01 Basis of Preparation of Financial Statements

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

2.02 Use of Estimates

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

2.03 Tangible Assets

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

Depreciation .

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

Classes of Assets	Useful Lives
Office Equipment	5 Years
Furniture and Fixtures	10 Years
Computer and Accessories	3 Years
Motor Vehicles	6 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. Computer Software is recognised over 3 years on prorata basis.





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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.

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

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

(ii) The company has provided towards Employees Gratuity based on 15 days salary for every completed year of service for the current and past years. The measurement of liability has been done in house by the company without using the services of an Actuary. Total Liability Estimated (i.e: P. V. of Past Service Benefit) is Rs. 1020176/- and total contributed to LIC for the year is Rs. 583314/-

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 by the Company for the Year 2018-19	Estimated Provision adopted by the Company for the Year 2017-18
Standard Assets	Upto 90 days	0.25%	0.40%	0.40%
Sub Standard Assets	From 91 to 179 days	50%	50%	50%
Doubtful Assets	More than 180 days	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.

Till last year provision on Standard Assets at specified rate (0.40%) was additionally made upon standard assets. During the current year, the Company do not foresee requirement of higher provision over & above RBI provisions applicable to NFBC-MFI and therefore decided to provide 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

Had the provision were made in line with past years, there would have been increase in provision to the extent of Rs.11.89.064





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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 three years. Moreover, the management can take a decision of writing off loans as per the quality and expectation of realization of loans from borrowers. Further all loss assets identified as per the extent RBI guidelines are provided.

2.13 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.

2.17 Dividend (including dividend distribution tax)

As per Accounting standard 4 issued by Institute Of Chartered Accountants Of India Interim dividend declared to equity and / or preference shareholders, if any, is recognised as liability in the period in which the said dividend has been declared by the Directors. Final proposed dividend declared to equity and / or preference shareholders, if any, is recognised in the period in which the said dividend has been approved by the Shareholders.





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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019:

Particulars	SHARE CAPITAL	
	31ST MARCH 2019	31ST MARCH, 2018
AUTHORISED		
70,00,000 (70,00,000) Equity shares of ₹ 10/- each	70,000,000	70,000,000
70,00,000 (70,00,000) Preference shares of Rs. 10/- each	70,000,000	70,000,000
20,00,000 (20,00,000) Equity Share of Rs 10/- each with Differential Voting Right	20,000,000	-
	160,000,000	140,000,000
ISSUED, SUBSCRIBED AND PAID UP		
34,85,648 (P.Y. 32,73,148) paid up Equity shares of ₹ 10/- each	34,856,480	32,731,480
25,00,000 (P. Y. 5,00,000) paid up & 2,00,00,000/- 9% Optionally Convertible Preference Shares (OCPS) of Rs. 10/- each & Nil (Rs.1,00,000) paid up 15% optionally convertible preference shares of Rs. 10/- each	25,000,000	5,000,000
7,75,000 (P. Y. NIL) paid up 9% Compulsory Convertible Preference Shares (CCPS) of Rs. 10/- each	7,750,000	-
	67,606,480	37,731,480

Terms/Rights attached to Equity & Preference Shares:

Equity Share: 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.

Preference Shares : 1. The Company has issued 5,00,000, 9% Optionally Convertible Preference Shares ("OCPS") of face value ₹ 10/- each on 03.12.2016, to Small Industrial Development Bank Of India (SIDBI). In case SIDBI decide not to convert OCPS into equity shares, or inverts only part of OCPS into equity then OCPS would be redeemed in a single bullet redemption at the end of 6 years from the date of first disbursement. Any dividend payable/unpaid will also be paid along with redemption of OCPS. Preference share will carry dividend @ 9% p.a. to be paid within 3 months from the close of financial year on pro-rata basis during currency of preference share [Including at the time of redemption or part/ fully conversion of share]. Dividend if not paid will be cumulative in nature. Dividend distribution tax and other statutory surcharge and levies thereon would be borne by the company. The OCPS holders have a right to receive dividend, prior to the Equity Shareholders. The dividend proposed by the Board of Directors on the OCPS is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Preference Shareholders are eligible to receive the remaining assets of the Company before distribution to the Equity Shareholders, in proportion to their shareholding.

At the Meeting of the Board of Directors held on 02.07.2019, the Board recommended the payment of the final dividend of 9% on 5,00,000 OCPS allotted on 3rd December, 2016, for FY 2018-19, on a pro - rata basis up to March 31, 2019, subject to the approval of the Members at the ensuing Annual General Meeting ("AGM"). The said Dividend, if approved by the Members, would involve a cash outflow of Rs. 5,42,521 (including dividend distribution tax of Rs. 92,521).

2. The Company have issued 20,00,000, 9% Optionally Convertible Preference Shares ("OCPS") of face value ₹ 10/- each on 14.08.2018, to NEDFI . In case NEDFI decide not to convert OCPS into equity shares, or inverts only part of OCPS into equity then OCPS would be redeemed 50% of OCPS at the end of 5 Years and remaining 50% OCPS at the end of sixth year . Any dividend payable/unpaid will also be paid along with redemption of OCPS. Preference share will carry dividend @ 9% p.a. to be paid within 3 months from the close of financial year on pro-rata basis during currency of preference share [Including at the time of redemption or part/ fully conversion of share]. Dividend if not paid will be cumulative in nature. Dividend distribution tax and other statutory surcharge and levies thereon would be borne by the company. The OCPS holders have a right to receive dividend, prior to the Equity Shareholders. The dividend proposed by the Board of Directors on the OCPS is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Preference Shareholders are eligible to receive the remaining assets of the Company before distribution to the Equity Shareholders, in proportion to their shareholding.

At the Meeting of the Board of Directors held on 02.07.2019, the Board recommended the payment of the final dividend of 9% on 20,00,000 OCPS allotted on 14th Aug, 2018, for FY 2018-19, on a pro - rata basis up to March 31, 2019, subject to the approval of the Members at the ensuing Annual General Meeting ("AGM"). The said Dividend, if approved by the Members, would involve a cash outflow of Rs. 9,98,831 (including dividend distribution tax of Rs. 1,70,338).

2. The Company have issued 775000, 9% Compulsory Convertible Preference Shares ("CCPS") of face value ₹ 10/- each on various dates , to 3 of its existing shareholders .

At the Meeting of the Board of Directors held on 02.07.2019, the Board recommended the payment of the final dividend of 9% on 775000 CCPS allotted on various dates, for FY 2018-19, on a pro - rata basis up to March 31, 2019, subject to the approval of the Members at the ensuing Annual General Meeting ("AGM"). The said Dividend, if approved by the Members, would involve a cash outflow of Rs. 6,97,547 (including dividend distribution tax of Rs. 1,18,958).

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

Name of the Shareholder	As on 31/03/2019		As on 31/03/2018	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Gautam Das Jointly with Prabin Chandra Das	318,000	9.12%	318,000	9.72%
Gyanesh Pandey	287,678	8.25%	287,678	8.79%
Panalal Bansal	402,905	11.56%	402,905	12.31%
North Eastern Development Finance Corporation Ltd.	500,000	14.34%	500,000	15.28%

The reconciliation of number of Equity Shares is set out below

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
EQUITY SHARE		
Number of Shares at the beginning	3,273,148	2,910,000
Add: Issue of Equity Shares during the Year	212,500	-
Add: Preference Shares Converted to Equity Shares during the Year	-	363,148
Number of shares at the end	3,485,648	3,273,148
PREFERENCE SHARE		
Number of Shares at the beginning	500,000	600,000
Add: Issue of Preference Shares during the Year	2,775,000	375,000
Less: Converted to Equity Shares during the Year	-	475,000
Number of shares at the end	3,275,000	500,000





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Particulars	₹	
	31ST MARCH, 2019	31ST MARCH 2018
A. Securities Premium		
Opening Balance	1,118,520	-
Add: Add During the year	-	1,118,520
	1,118,520	1,118,520
B. Statutory Reserve		
Opening Balance	2,293,121	1,336,933
Add: Transfer from Surplus	1,038,360	956,188
	3,331,481	2,293,121
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. General Reserve		
Opening Balance	450,482	450,482
Add: Transfer from Surplus	-	-
	450,482	450,482
D. Surplus in Profit and Loss Account.		
Opening Balance	7,812,111	3,987,357
Add: Profit for the Year	5,191,800	4,780,942
Amount available for appropriation	13,003,910	8,768,299
<i>Appropriation :</i>		
Dividend on Preference Shares for the FY 2017-18	788,939	-
Dividend Distribution Tax on Dividend on Preference Share for the FY 2017-18	162,207	-
Transfer to Statutory Reserve	1,038,360	956,188
Surplus - Closing Balance	11,014,404	7,812,111
TOTAL (A+B+C+D)	15,914,888	11,674,234

Particulars	Long Term		Short Term	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Provision for Portfolio Loan Assets:				
Contingent Provision against Standrd Assets	-	-	2,539,612	1,474,356
Non Performing Loans	1,493,922	1,580,379	-	-
Total	1,493,922	1,580,379	2,539,612	1,474,356
Others				
Provision for Grauity	-	-	-	122,996
Provision for Taxation	-	-	2,307,764	1,980,000
Total	1,493,922	1,580,379	4,847,377	3,577,352

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Other than acceptances	1,661,174	717,852
Total	1,661,174	717,852
Trade payables include dues in respect of goods purchased or services received (including from employees, professionals and others under contract) in the normal course of business.		

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
a) Current maturities of long term debt (Refer note-5)	266,320,240	201,054,761
b) Interest accrued but not due on borrowings	1,064,919	219,265
c) Excess Interest Refundable	278,099	-
d) Statutory Liabilities (Contributions to PF, Professional Taxes,GST and TDS)	730,237	40,534
e) Paybles to Others	117,162	59,817
	268,510,657	201,374,377
8.1: A liability is classified as current if, as on the Balance Sheet Date, the Company does not have an unconditional right to defer its settlement for twelve months after the reporting date.		





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					1,870,801
Note-9: FIXED ASSETS:					
Tangible:					
	Figures in				₹
Cost or Valuation	Equipments	Furniture & Fixtures	Motor Vehicles	Computers	Total
As at 1st April 2017	16,875	3,679,434	457,656	774,584	4,928,549
Additions	192,589	150,256	-	107,234	450,079
Disposals	-	-	-	-	-
As at 31st March 2018	209,464	3,829,690	457,656	881,818	5,378,628
Additions For the Period	170,436	137,119	980,649	335,626	1,623,830
Disposals	-	-	-	-	-
As at 31st March 2019	379,900	3,966,809	1,438,305	1,217,444	7,002,458
Depreciation					
As at 31st March 2018	30,635	848,664	129,676	550,014	1,558,989
Charge For the Year	54,089	369,588	152,900	255,056	831,633
Disposals	-	-	-	-	-
As at 31st March 2019	84,724	1,218,252	282,576	805,070	2,390,622
Net Block as on 31st March 2019	295,176	2,748,557	1,155,729	412,374	4,611,835
Net Block as on 31st March 2018	178,829	2,981,026	327,980	331,804	3,819,639

Intangible (Software):		₹	₹
Cost or Valuation		31ST MARCH, 2019	31ST MARCH, 2018
WDV as at 1st April		339,039	671,652
Additions		874,243	-
Amortisation for the Year		478,921	332,613
As at 31st March		734,361	339,039

Note-10: Non Current Assets		
Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
a) Deposit with EFL & MAS	4,250,000	750,000
b) Other Security Deposit	16,110	16,110
c) Long Term Loans & Advances Microfinance Loan & NSFDC	121,121,068	85,269,825
d) Staff Loan	2,324,262	590,552
Total	127,711,440	86,626,487

*Term Deposits with Banks and NBFC are being held as collateral security against borrowings and have a maturity period of more than 12 Months.

Note-11: Cash and cash equivalents.		
Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
(a) Balances with banks in Current account	12,358,244	3,721,813
(b) Fixed Deposit With Bank	117,780,000	68,430,000
(c) Cash on hand	451,063	34,517
Total	130,589,307	72,186,330





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Note-12: Short Term Loans and Advances:

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Micro Finance Loans		
Opening Balance	302,603,065	239,787,072
Add: Loan Disbursed	490,389,000	371,996,000
Sub-Total	792,992,065	611,783,072
Less: Realised	389,450,046	308,908,999
Less: Bad Debts	210,265	271,008
	403,331,754	302,603,065
Less: Loag term Loan & advances Microfinance Loan	121,121,068	85,269,825
	282,210,686	217,333,240
NSFDC Micro Finance Loans		
Opening Balance	372,935	705,329
Add: Loan Disbursed	-	402,000
Sub-Total	372,935	1,107,329
Less: Realised	353,050	734,394
Less: Bad Debts	-	-
	19,885	372,935
Less: Loag term Loan & advances NSFDC Microfinance Loan	-	-
	19,885	372,935
NBCFDC Micro Finance Loans		
Opening Balance	810,125	4,218,197
Add: Loan Disbursed	-	-
Sub-Total	810,125	4,218,197
Less: Realised	808,379	3,408,072
Less: Bad Debts	-	-
	1,746	810,125
Less: Loag term Loan & advances NBCFDC Microfinance Loan	-	-
	1,746	810,125
(iv) Advance Income Tax	2,434,906	1,562,769
(v) Loan to Staff	1,198,678	1,096,740
Total	285,865,901	221,175,809

Note-13: Other current assets

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
	₹	₹
Interest accrued on Loan Portfolio but not due	2,055,343	1,284,129
Interest accrued but not due on Term Deposits	10,022,699	7,947,387
Short Interest Receivable Against Loan Portfolio	1,489,227	-
Staff Advance	419,790	226,943
Other Advance	224,458	173,222
Other Receivable	182,189	91,988
BC commission Receivable	198,354	-
Receivable From Insurance Company	803,132	235,886
Advance For Land	2,991,400	2,923,000
Total	18,386,592	12,882,555





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Note-14: Revenue from operations			
Particulars	31ST MARCH, 2019	31ST MARCH, 2018	
	₹	₹	
Interest on Loan. (Refer Note (i) below)	72,099,182	65,399,670	
Processing Charges.	4,903,890	3,723,980	
Total	77,003,072	69,123,650	
Particulars	31ST MARCH, 2019	31ST MARCH, 2018	
	₹	₹	
i) Interest on Loan comprises:			
a) Interest on Micro Finance Loan	72,093,093	65,333,835	
b) Interest on NSFDC Loan	6,089	20,371	
c) Interest on NBCFDC Loan	-	45,464	
Total	72,099,182	65,399,670	
Company offers small loan products to its borrowers for income generation, which are repayable in equal weekly/fortnightly/Monthly instalments.			
Note-15: Other Income			
Particulars	31ST MARCH, 2019	31ST MARCH, 2018	
	₹	₹	
Interest on Fixed Deposits	5,995,174	4,627,534	
Interest on Staff Loan	353,938	87,930	
Interest on Vehicle Loan	27,583	76,129	
BC Commission	4,381,253	-	
Miscellaneous Receipt	69,138	-	
Total	10,827,086	4,791,593	
Note-16: Employee benefit expenses			
Particulars	31ST MARCH, 2019	31ST MARCH, 2018	
	₹	₹	
Salaries, Wages & Bonus etc.	20,952,032	16,969,619	
Contribution towards Provident Fund and ESI	625,243	567,422	
Leave Encashment	100,282	50,601	
Gratuity	583,314	222,996	
Staff Welfare Expenses	283,231	294,577	
Total	22,544,102	18,105,215	
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.			
The company has not estimated its liability towards Employees Gratuity based on an actuarial valuation.			
Note-17: Finance Cost			
Particulars	31ST MARCH, 2019	31ST MARCH, 2018	
	₹	₹	
Interest on Borrowings	44,179,952	39,349,968	
Interest on NSFDC Loan	5,756	21,797	
Interest on NBCFDC Loan	-	5,876	
Processing Fees & Other Financial Expenses	3,221,168	1,683,293	
Total	47,406,876	41,060,934	





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Note-18: Other expenses	Particulars	31ST MARCH,	Year ended 31
		2019	March, 2018
		₹	₹
	Audit Fees	100,000	100,000
	Certification Fee to Auditors	36,000	-
	Travelling and Conveyance	2,037,838	1,533,053
	Professional fees	684,262	369,750
	Telephone, Mobile & Internet	124,508	350,497
	Rent	1,268,510	1,012,027
	Rates & Taxes	8	252,705
	Printing & Stationery	876,404	668,418
	Bank Charges	454,086	282,033
	Miscellaneous Expenses	470,337	406,268
	Electricity Charges	163,536	132,274
	Repairs and maintenance	511,327	226,852
	Postage & stamp	8,647	7,986
	Meeting Expenses	81,468	155,987
	Books and Periodicals	6,744	21,718
	Insurance	43,036	178,180
	Trade Licence Renewal Fees	77,717	37,500
	Credit Information Fees	181,045	43,394
	Grading & Rating Fees	202,500	114,682
	Website Development Expenses	5,800	281,049
	Consumable	38,290	33,559
	Staff Training Expenses	-	117,273
	Membership/participation Fee	65,900	62,971
	ROC Fees	198,281	537,700
	Admin Charge on PF	32,590	33,394
	DSC Renewal Fees	5,200	-
	Sitting Expenses	25,000	-
	GST ineligible	285,229	-
	Scholarship	2,000	11,500
	Registration & insurance of Vehicle	35,246	18,520
	Office Upkeep Expenses	45,914	-
	Financial Inclusion and Literacy Expenses	-	34,925
	Advertisement	1,446	-
	Interest on GST Late Payment	6,010	-
	Total	8,074,879	7,024,215

Note-19: Provisions for Loan Loss	Particulars	As at 31st	Additions	Wirt off	As at 31st March,
		March, 2018			2019
		₹	₹	₹	₹
	Provision for Loan Loss on Standard Asset	1,474,356	1,275,521	210,265	2,539,612
	Provision for Loan Loss on Doubtful and Loss Assets	1,580,379	(86,457)	-	1,493,923
	Total	3,054,735	1,189,065	210,265	4,033,535

Note-20: Classification of Portfolio Loan on age basis	Particulars	Estimated Provisions Adopted by the Company	As at 31 March, 2019		As at 31 March, 2018	
			Principal	Provision Amount (₹)	Principal	Provision Amount (₹)
			Current (0 to 90 Days)	0.40%	401,704,147	1,606,817
91 to 179 days	50%	310,633	155,317	226,728	113,364	
180 days or more	100%	1,338,605	1,338,605	1,467,014	1,467,014	
Total		403,353,385	3,100,738	305,473,417	2,795,497	
*Subject to 1% Whichever is Higher (additional 0.4% in Previous Year)		403,353,385	4,033,534	305,473,417	3,054,734	

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.
Till last year provision on Standard Assets at specified rate (0.40%) was additionally made upon standard assets.





AUDITOR'S REPORT:

GRAMEEN DEVELOPMENT & FINANCE PRIVATE LIMITED
Formerly Known as SHARNARTHI LEASING FINANCE PVT. LTD.)

Note-21: 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.

Nature of Relationship	
Key Management Personnel	
SARAT CHANDRA DAS	Managing Director
DANDI RAM KALITA	Director

Nature of Transactions

Particulars	31ST MARCH, 2019		31ST MARCH, 2018	
	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding
With Key Management Personnel				
i. Sarat Chandra Das				
Salary & Remuneration	842,448	-	761,808	-
ii Dandi Ram Kalita				
Salary & Remuneration	420,000	-	420,000	-
Total	1,262,448	-	1,181,808	-

Note-22: Earning Per Share

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	₹	₹
Net Profit after Tax	5,191,800	4,780,942
Dividend payable to preferential share	951,146	-
Net Profit after Preferential dividend	4,240,654	4,780,942
Number of Shares	3,485,648	3,273,148
Weighted Average Number of share	3,273,148	2,924,924
Earning Per Share (Basic)	1.30	1.63
Earning Per Share (Diluted)	0.96	1.28
Nominal Value Per Share	Rs.10/-	Rs.10/-

(Previous year figures is taken as certified by previous auditors)

Note-23: 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-24: 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.





AUDITOR'S REPORT:

GRAMEEN DEVELOPMENT & FINANCE PRIVATE LIMITED
Formerly Known as SHARNARTHI LEASING FINANCE PVT. LTD.)

Note-25:	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 (other than falling within the meaning of public deposits)	Nil	Nil
b. Deferred Credits	Nil	Nil
c. Term Loans	475,616,801	342527835
d. Inter-corporate loans and borrowing	Nil	Nil
e. Commercial paper	Nil	Nil
f. Public Deposits	Nil	Nil
g. Other Loans (Cash Credit facility)	-	0
Total	Nil	Nil
2 Break-up of (1)(f) above (Outstanding public deposits Inclusive of interest accrued thereon but not paid) :	Amount Outstanding	Amount Overdue
a. In the form of unsecured debentures	Nil	Nil
b. In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
c. Other public deposits	Nil	Nil
Total	Nil	Nil
3 ASSETS SIDE		
Break-up of Loans and advances including bills receivables (other than those included in (4) below) :	Amount Outstanding	
a. Secured		
b. Unsecured (see schedule)	403,353,385	
4 Break -up of Leased Assets and stock on hire and other assets counting towards AFC activities :		
I Lease assets including lease rentals under Sundry Debtors		
a. Financial lease	Nil	
b. Operating lease	Nil	
II Stock on hire including hire charges under Sundry Debtors		
a. Assets on hire	Nil	
b. Repossessed Assets	Nil	
III Other Loans counting towards AFC activities		
a. Loans where assets have been repossessed	Nil	
b. Loans other than (a) above	Nil	
Total	Nil	





AUDITOR'S REPORT:

GRAMEEN DEVELOPMENT & FINANCE PRIVATE LIMITED
Formerly Known as SHARNARTHI LEASING FINANCE PVT. LTD.)

5 Break up of Investments :

Current Investments

1 Quoted

- I Shares : (a) Equity
- (b) Preference
- II Debentures and Bonds
- III Units of mutual funds
- IV Government Securities
- V Others (Please Specify)

NII
NII
NII
NII
NII

2 Un-Quoted

- I Shares : (a) Equity
- (b) Preference
- II Debentures and Bonds
- III Units of mutual funds
- IV Government Securities
- V Others (Please Specify)

NII
NII
NII
NII
NII

Long Term Investments :

1 Quoted

- I Shares : (a) Equity
- (b) Preference
- II Debentures and Bonds
- III Units of mutual funds
- IV Government Securities
- V Others (Please Specify)

NII
NII
NII
NII
NII

2 Un-Quoted

- I Shares : (a) Equity
- (b) Preference
- II Debentures and Bonds
- III Units of mutual funds
- IV Government Securities
- V Others (Please Specify)

NII
NII
NII
NII
NII

6 Borrower group-wise classification of all assets financed as in (2) & (3) above :

Category

Amount

- 1 Related Parties **
 - a.Subsidiaries
 - b.Companies in the same group
 - c.Other related parties
- 2 Other than related parties

	Amount		
	Secured	Unsecured	Total
1			
a.	NII	NII	NII
b.	NII	NII	NII
c.	NII	NII	NII
2	NII	403,353,385	403,353,385

7 Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and un quoted)

Category

- 1 Related Parties
 - a.Subsidiaries
 - b.Companies in the same group
 - c.Other related parties
- 2 Other than related parties

	Market value/Break up or fair value or NAV	Book Value (Net of provisions)
	1	
a.	NII	NII
b.	NII	NII
c.	NII	NII
2	NII	NII
Total	NII	NII

**As per Accounting Standard of ICAI

8 Other Information:

- I. Particulars
 - a. Gross Non-performing Assets
 - a.Related parties
 - b.Other than related parties
- II Net Non-performing Assets
 - a.Related parties
 - b.Other than related parties
- III Assets acquired in satisfaction of debt

NII
1,649,238
NII
155,317
NII





AUDITOR'S REPORT:

GRAMEEN DEVELOPMENT & FINANCE PRIVATE LIMITED
Formerly Known as SHARNARTHI LEASING FINANCE PVT. LTD.)

Note-26

A. Additional Disclosure pursuant to Reserve Bank of India Direction vide circular no-DNBS (PD),CC No.178/03.02.001/2010-11 dated 1st July 2010.		
Capital to Risk-Asset Ratio (CRAR)	For the year ended 31 March, 2019	For the year ended 31 March, 2018
CRAR	19.84%	15.96%
CRAR-Tier I Capital	11.54%	13.89%
CRAR-Tier II Capital	8.31%	2.07%





B. Additional Disclosure pursuant to Reserve Bank of India Direction vide Circular no. RBI/2014-15/299, DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10,2014		
PARTICULARS	REMARKS	
1.Capital to risk (Weighted) Assets Ratio	Refer Note No. 26.(A)	
2.Investment	Nil	
3.Derivatives i) Forward Rate Agreement/ Interest Rate Swap ii) Exchange Traded Interest Rate (IR) Derivatives iii) Discloser ob Risk Exposure in Derivatives iv) Forward rate agreement / interest rate swap	The company has not entered into any derivative transactions in the current and previous years.	
4. Discloser relating to Securitisation i) Information duly certified by the SPV'S Auditors obtained by the originating NBFC from the SPV. ii) Details of financial assets sold to securitisation/Reconstruction company for asset reconstruction. iii) Details of Assignment transactions undertakenby NBFCs	The Company has not sold financial assets to securitisation or reconstruction company for the assets reconstruction for the year	
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	As per Annexure	
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 ii) Unsecured Advances	Single borrower limit (SGL)/ Group Borrower Limit (GBL) has not exceeded by the Company. Portfolio Loan of Rs.403,331,754/-	
9.Miscellaneous i) Registration obtained from other financial sector regulators ii) Disclosure of Penalties imposed by RBI and other regulators iii) Related Party Transaction iv) Rating assigned by credit rating agencies and migration of ratings during the year v) Remuneration of Directors vi) Net profit or loss for the period, prior period items and changes in accounting policies vii) Revenue Recognition	Ministry of Corporate affairs NIL Refer Note No-21. M3C3 (COCA ANG GRADING BY SMERA) Refer Note No-21. Nil Refer Note No-2.06.	
10. Additional Disclosures i) Provisions and contingencies ii) Draw Down from Reserves iii) Concentration of Deposits,Advances,Exposures and NPAs a) Concentration of deposit (for Deposit taking NBFCs) b) Concentration of Advances c) Concentration of Exposure d) Concentration of NPAs iv) Overseas Assets (for those Joint Ventures and Subsidiaries abroad) as per accounting norms	Refer Note No-26A Nil Not applicable as the Company is NBFC-ND Refer Note No-26B. Refer Note No-26C Refer Note No-26D The NBFC does not have any overseas Assets Not applicable as the Company does not have any SPVs.	
11. Disclosure of Complaints	The company has not received any complaint during the Year.	





AUDITOR'S REPORT:

GRAMEEN DEVELOPMENT & FINANCE PRIVATE LIMITED
Formerly Known as SHARNARTHI LEASING FINANCE PVT. LTD.)

Note. 26A Breakup of Provisions and contingencies shown under the head Expenditure in Profit and Loss Statement.			
Particulars	31ST MARCH, 2019	31ST MARCH, 2018	
	₹	₹	
Provision for Income Tax	2,112,883	2,069,473	
Provision for Gratuity	583,314	222,996	
Provision towards NPA	1,493,923	1,580,379	
Provision for Standard Assets	2,539,612	1,474,356	
Note. 26B Concentration of Advances			
Particulars	31ST MARCH, 2019	31ST MARCH, 2018	
	₹	₹	
Total Advances to twenty Largest borrowers	1,670,739	1,471,868	
Percentage of total Advances to twenty Largest borrowers to total advance of the NBFC	0.41%	0.48%	
Note. 26C Concentration of Exposures			
Particulars	31ST MARCH, 2019	31ST MARCH, 2018	
	₹	₹	
Total Advances to twenty Largest borrowers	1,670,739	1,471,868	
Percentage of total Advances to twenty Largest borrowers to total advance of the NBFC	0.41%	0.48%	
Note. 26D Concentration of NPA'S			
Particulars	31ST MARCH, 2019	31ST MARCH, 2018	
	₹	₹	
Total Exposure to top four NPA accounts	129,430	142,130	
Note-27 Previous Year Figures			
Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.			
For D. Patwary & Co. Chartered Accountants Firm Registration No. 324523E  Deepak Patwary (Partner) M. No.060467 Date: 02.07.2019 Place: Guwahati		For and on behalf of the Board of Directors  Managing Director DIN: 02849186  Director DIN: 06902163	
 UDIN: 19060467AAAACU5234			





AUDITOR'S REPORT:

GRAMEEN DEVELOPMENT & FINANCE PRIVATE LIMITED
(Formerly Known as SHARNARTHI LEASING FINANCE PVT. LTD.)
NOTES FORMING PART OF THE BALANCE SHEET

NOTE - 5 : LONG TERM BORROWINGS

Terms of Repayment of Term Loan as on 31ST MARCH 2019

Sl. No.	Banks / Financial Institutions	Balance as on 31.03.2018	Received during the year	Repaid during the year	Balance as on 31.03.2019	Rate of Interest (%)	Nature of Security		Terms of Repayment
							Hypothecation of Book Debts	Fixed Deposit/ Collateral	
SECURED TERM LOANS									
A- FROM BANKS AND FINANCIAL INSTITUTIONS									
1	IDBI Bank Ltd	2,500,007	40,000,000	2,500,007	40,000,000	13.30%	Yes (100% of Book debts created out of loan)	Yes (FDR of Rs. 40 Lac)	Monthly
2	North Eastern Development Finance Corporation Limited	245,757,598	125,000,000	149,090,863	221,666,735	12.25%	Yes (100% of Book debts created out of loan)	Yes (FDR of Rs. 415 Lac)	Monthly
3	North Eastern Development Finance Corporation Limited	30,454,570	50,000,000	21,060,606	59,393,964	8.00%	Yes (100% of Book debts created out of loan)	Yes (FDR of Rs. 55 Lac)	Monthly
4	Maanaveeya Development & Finance Private Limited	-	40,000,000	16,380,000	23,620,000	14.00%	Yes (105% of Book debts created out of loan)	-	Monthly
5	Assam Financial Corporation	38,013,337	20,000,000	27,384,714	30,628,623	13.50%	Yes (100% of Book debts created out of loan)	Yes (FDR of Rs. 61.90 Lac)	Monthly
6	Electronica Finance Limited	7,500,000	15,000,000	8,310,531	14,189,469	14.25%	Yes (100% of Book debts created out of loan)	Yes (Rs. 22.50 Lac security deposit)	Monthly
7	Assam Gramin Vikash Bank	3,421,446	30,000,000	9,102,361	24,319,085	14.25%	Yes (110% of Book debts created out of loan)	Yes (FDR as Rs. 40 Lac)	Monthly
8	Small Industries Development Bank of India	6,666,670	-	3,999,996	2,666,674	13.70%	Yes (100% of Book debts created out of loan)	Yes (FDR of Rs. 2.5 Lac)	Monthly
9	National Scheduled Castes Finance and Development Corporation	297,000	-	297,000	-	4.00%	-	Yes (FDR of Rs. 9.90 Lac)	Quarterly
10	Reliance Commercial Finance	7,917,207	-	7,917,207	-	14.75%	Yes (100% of Book debts created out of loan)	Yes (FDR of Rs. 30 Lac)	Monthly
11	Jain Sons Finance Ltd	-	20,000,000	867,749	19,132,251	17.00%	Yes (110% of Book debts created out of loan)	-	Monthly
12	MAS Financial Services Ltd	-	20,000,000	-	20,000,000	15.75%	Yes (100% of Book debts created out of loan)	Yes (Rs. 20 Lac security deposit)	Monthly
13	North East Small Finance Bank	-	20,000,000	-	20,000,000	14.00%	Yes (110% of Book debts created out of loan)	Yes (FDR of Rs. 20 Lac)	Monthly
Total A		342,527,835	380,000,000	246,911,034	475,616,801				
B- FROM DIRECTORS AND BODY CORPORATES									
1	Directors	-	-	-	-	0.00%	-	-	-
2	Body Corporates	-	-	-	-	0.00%	-	-	-
Total B		-	-	-	-				
Gross Total (A+B)		342,527,835	380,000,000	246,911,034	475,616,801				
Less: Current Maturity Shown under Other Current Liabilities. (Refer Note-8)						266,320,240			
Long Term Loan as on 31st March, 2019						209,296,561			

NOTE - 5A : SHORT TERM BORROWINGS.

TERM LOANS									
A- FROM BANKS									
1									
2									
Total A									





AUDITOR'S REPORT:

Form NBS 7

Statement of capital funds, risk assets/exposures and risk asset ratio etc., as at the year end of 31st March, 2019

Name and Address of the Non-Banking Financial Company **GRAMEEN DEVELOPMENT & FINANCE PRIVATE LIMITED (Formerly Known as SHARNARTHI LEASING FINANCE PVT. LTD.)**

Company Code Number (as given by RBI) **NBFC-ND**

Registration Number (as given by RBI) **B-08.00185 Dt:18.08.2014**

Classification of the company (as given by RBI) **NON BANKING FINANCIAL (NON DEPOSIT ACCEPTING OR HOLDING) COMPANY**

(Rupees in lakh)

PART - A		
Item Name	Item Code	Amount
Capital Funds - Tier - I		
(i) Paid-up Equity Capital	111	348.56
(ii) Preference Shares to be compulsorily convertible into equity	112	-
(iii) Perpetual Debt Instrument (Not to exceed 15% of Aggregate Tier I Capital as on March 31 of the previous year)	112A	-
(iv) Free reserves (please note below)		
(a) General Reserves	113	4.50
(b) Statutory / Spl. Reserve U/S 45 IC of RBI Act, 1934	113A	33.31
(c) Share Premium	114	11.19
(d) Capital Reserves (representing surplus on sale of assets held in separate account)	115	-
(e) Debenture Redemption Reserve	116	-
(f) Capital Redemption Reserve	117	-
(g) Credit Balance in P & L Account	118	110.14
(h) Other free reserves	119	-
Total (111 to 118)	110	507.71
(v) Accumulated balance of loss	121	-
(vi) Deferred Revenue Expenditure	122	-
(vii) Deferred Tax Assets (Net)	122A	10.38
(viii) Other Intangible Assets	123	7.34
Total (121 to 123)	120	17.72
(ix) Owned Funds	130	489.99
(x) Investment in shares of [please see Note (1)]		
(a) Subsidiaries	141	-
(b) Companies in the same Group	142	-
(c) Wholly Owned Subsidiaries	142A	-
(d) Other non-banking financial companies	143	-
(xi) The book value of debenture, bonds, outstanding loan and advances (including hire-purchase and lease finance) made to, and deposits with [please see not (2) below]		
(a) Subsidiaries	144	-
(b) Companies in the same Group	145	-
(c) Wholly Owned Shares / Joint Ventures abroad	145A	-
Total (141 to 145)	140	-
(xiii) Amount of Item 140 in excess of 10% of Item 130 above	150	-
(xiv) Tier I Capital		
Net Owned Funds (130 - 150)	151	489.99

PART - B		
Item Name	Item Code	Amount
Capital Funds - Tier - II		
<i>(Para 2(1)(xx)(b) of Directions)</i>		
(i) Preference Share Capital other than those compulsorily convertible into equity	161	250.00
(ii) Cumulative Convertible Preference Shares	161A	77.50
(iii) Revaluation reserves (At Discount rate of 55%)	162	-
(iv) General provisions and loss reserves including Provision for Standard Assets (to the extent not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of 1.25% of RWA)	163	25.40
(v) Hybrid debt capital instruments	164	-
(vi) Subordinated debt (Subjected to prescribed Discount Rates & Not exceeding 50% of Tier I)	165	-
(vii) Aggregate Tier II Capital (161 to 165)	160	352.90
Total Capital Funds (151 + 160)	170	842.89

PART - C		
Item Name	Item Code	Amount
Risk Assets and Off-Balance Sheet Items		
(i) Adjusted value of funded risk assets i.e. on-balance sheet items (To tally with Part D)	181	4,247.77
(ii) Adjusted value of non-funded and off-balance sheet items (To tally with Part E)	182	-
(iii) Total risk weighted assets/exposures (181 + 182)	180	4,247.77
(iv) Percentage of capital funds to risk weighted assets/exposures		
(a) Tier I Capital (Percentage of Item 151 to Item 180)	191	11.54%
(b) Tier II Capital (Percentage of Item 160 to Item 180)	192	8.31%
(c) Total (Percentage of Item 170 to Item 180)	193	19.84%





AUDITOR'S REPORT:

PART - D				
Item Name	Item Code	Book Value	Risk Weight	Adjusted Value
Weighted Assets, i.e. On-Balance Sheet Items				
I Cash	210	4.51	0%	-
II Bank balances including Fixed Deposits & Certificates of Deposits	210A	1,401.61	0%	-
III The Deposits/Collaterals kept with CCEL in connection with CBLO	210B	-	0%	-
IV Investments				
(a) Approved securities as defined under Section 45IB of RBI Act, 1934	221	-	0%	-
(b) Bonds of public sector banks				
(i) Amount deducted in Part 'A' Item (xiii) Item code 150	222A	-	0%	-
(ii) Amount not deducted in Part 'A' Item (xiii) Item code 150	223A	-	20%	-
(c) FDs/CDs/bonds of public financial institutions				
(i) Amounts deducted in Part 'A' Item (xiii) Item code 150	224A	-	0%	-
(ii) Amount Not deducted in part 'A' Item (xiii) Item code 150	225A	-	100%	-
Sub-total (222A+223A+224A+225A)	ST 225A	-	-	-
(d) Shares of all companies and debentures/bonds/ commercial papers of companies and units of all mutual funds				
(i) Amounts deducted in Part 'A' Item (xiii) Item code 150	226	-	0%	-
(ii) Amounts not deducted in Part A	227	-	100%	-
Sub-total (226+227)	ST 227	-	-	-
V Current Assets				
(a) Stock on hire (Please see Note 2 below)				
(i) Amount deducted in Part A [Item (xiii)]	231	-	0%	-
(ii) Amounts not deducted in Part A	232	-	100%	-
Sub-total (231+232)	ST 232	-	-	-
(b) Interoperate loans/deposits				
(i) Amount deducted in Part A [Item (xiii)]	233	-	0%	-
(ii) Amounts not deducted in Part A	234	42.50	100%	42.50
Sub-total (233+234)	ST 234	42.50	-	-
(c) Loans to staff				
(i) Amount deducted in Part A [Item (xiii)]	236	39.43	0%	-
(d) Other secured loans and advances considered good				
(i) Amount deducted in Part A [Item (xiii)] Item code 150	241	-	0%	-
(ii) Amounts not deducted in Part A	242	-	100%	-
Sub-total (235+236+241+242)	ST 242	39.43	-	-
(e) Bills purchased /discounted				
(i) Amount deducted in Part A [Item (xiii)] Item code 150	243	-	0%	-
(ii) Amounts not deducted in Part A	244	-	100%	-
Sub-total (243+244)	ST 244	-	-	-
(f) Others (Unsecured Micro credit portfolio, Stock, other loans & Advances)				
(i) Amounts not deducted in Part A [Item (xiii)] Item code 150	245	4,033.53	100%	4,033.53
VI Fixed Assets (net of depreciation)				
(a) Assets leased out				
(i) Amount deducted in Part A [Item (xiii)] Item code 150	251	-	0%	-
(ii) Amounts not deducted in Part A	252	-	100%	-
Sub-total (251+252)	ST 252	-	-	-
Total credit exposure (ST232+ST234+ST242+ST244+245+ST252)	CT 200	4,115.46	-	-
(b) Premises	253	-	100%	-
(c) Furniture & Fixtures	254	27.49	100%	27.49
VII Other Assets				
(a) Income-tax deducted at source (net of provisions)	255	-	0%	-
(b) Advance tax paid (net of provision)	256	-	0%	-
(c) Interest due on Government Securities	257	-	0%	-
(d) Others (to be specified)	258	144.25	100%	144.25
Total weighted assets (Items 210 to 258)	200	5,693.31	0%	4,247.77

PART - E					
Sl. No.	Item Name	Item Code	Book Value	Conversion factor	Equivalent value
1	Financial & Other guarantees	310	-	100%	-
2	Share/debenture underwriting obligations	320	-	50%	-
3	Partly paid shares/debentures	330	-	100%	-
4	Bills rediscounted	340	-	100%	-
5	Lease contracts entered into but yet to be executed	350	-	100%	-
6	Undrawn Committed Credit Lines	350A	-	100%	-
7	Derivatives				
	a) Less than 1 year	350B	-	0.50%	-
	b) 1 year < 2 years	350C	-	1%	-
	c) 2 years & above	350D	-	1%+1% per year	-
8	Assigned Portfolio-Micro-finance Inst.	350E	-	100%	-
9	Other contingent liabilities (to be specified)	360	-	50%	-
	Total non-funded exposures (Items 310 to 360)	300	-	-	-

Note: Cash margin/deposits shall be deducted before applying the conversion factors
 @ Derivatives of 2 years and above with appropriate conversion factor should be worked out and posted against item code EV350D

PART - F		
Asset Classification		
Sl. No.	Item name	Amount
I	Aggregate of credit exposures categorised into :	
(i)	Standard assets	411
	Sub-standard assets :	
(ii)	(a) Lease and hire purchase assets	412
	(b) Other credit facilities	413
(iii)	Doubtful assets	414
(iv)	Loss assets	415
	Gross Credit Exposure (411 to 415)	410
	Total NPA	416
	Gc. NPA (%)	417
	Provision for NPA	418
	Net NPA	419
	Net Credit Exposure	420
	Net NPA (%)	0.04%





AUDITOR'S REPORT:

PART - G			
Particulars regarding investments in and advances to companies/firms in the same group and other non-banking financial companies			
Item Name		Item Code	Amount
(i)	Book value of bonds and debentures and outstanding loans and advances to and deposits with subsidiaries and companies in the same group (Details to be enclosed in Appendix No.)	510	-
(ii)	Investments in shares of subsidiaries and companies in the same group and all non-banking financial companies (Details to be enclosed in Appendix No.)	520	-
(iii)	Investments by way of shares, debentures, loans and advances, leasing, hire purchase finance, deposits etc. in other companies, firms and proprietary concerns where directors of the company hold substantial interest (Details to be enclosed in Appendix No.)	530	-

PART - H			
Particulars regarding concentration of advances including off balance sheet exposure and investments to parties including those in Part G above			
Item Name		Item Code	Amount
(i)	Loans and advances including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the non-banking financial company (Details to be enclosed in Appendix No.)	610	-
(ii)	Loans and advances including off-balance sheet exposures to a single group of parties in excess of 25 per cent of owned fund of the non-banking financial company (Details to be enclosed in Appendix No.)	620	-
(iii)	Investments in a single company in excess of 15 per cent of the owned fund of the non-banking financial company (Details to be enclosed in Appendix No.)	630	-
(iv)	Investments in the shares issued by a single group of companies in excess of 25 per cent of the owned fund of the non-banking financial company	640	-
(v)	Loans, advances to (including debentures/bonds and off-balance sheet exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund of the non-	650	-
(vi)	Loans, advances to (including debentures/bonds and off-balance sheet exposures) and investment in the shares of single group of parties in excess of 40 per cent of the owned fund of the non-banking financial company	660	-

PART - I			
Particulars regarding Investments in premises and unquoted shares			
	Description	Item Code	Amount
(i)	Investments in Premises (Land and Buildings) except for own use, (out of item code 253 in the return) held by the company in excess of 10 percent of the owned fund		
(a)	Acquired by the company independently	710	-
(b)	Acquired in satisfaction of its debts	720	-
(ii)	Investments in unquoted shares except those held in the subsidiaries and companies in the same group (vide item code 141 and 142) in excess of		
(a)	10 percent of the owned fund in case of Asset Finance Company	730	-
(b)	20 percent of the owned fund in case of loan and investment companies	740	-

CERTIFICATE

Certified that

- the data/information furnished in this statement are in accordance with the Directions issued by the Reserve Bank of India relating to income recognition, accounting standards, asset classification, provisioning for bad and doubtful debts, capital adequacy and concentration of credit and investments. The statement has been compiled from the books of account and other records of the company and to the best of my knowledge and belief they are correct;
- Reserve Bank's classification of the company as a **NBFC MFI** on the basis of its principal business as evidenced from its asset and income pattern continues to hold good ;
- the capital adequacy as disclosed in part C of the return after taking into account the particulars contained in part D, E and F has been correctly worked out;
- The aggregate of amount outstanding in respect of loans, held together with other assets of the company during the year ended **MARCH 31,2019** is taken into account to ensure that the minimum stipulated capital adequacy ratio as applicable to the company has been maintained throughout the relevant period on an on-going basis;
- classification of assets as disclosed in part F of the return has been verified and found to be correct. The sub-standard or doubtful or loss asset, if up-graded, has been done so, in conformity with the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007;
- investments in group companies as disclosed in part G of the return, exposures to individuals/firms/other companies exceeding the credit/investment concentration norms as disclosed in part H of the return and particulars on suit filed and decreed debts by the company and against it as disclosed in part 1 of the return and classification of such assets in correct.

For **D. Patwary & Co.**
Chartered Accountants
Firm Registration No. 324523E

Deepak Patwary
(Partner)
M. No.061971



Date: 02.07.2019
Place: Guwahati

UDIN: 1906047AAAACU5234





AUDITOR'S REPORT:

D.PATWARY & CO.
Chartered Accountants



1ST FLOOR, MASTER ENCLAVE, CHRISTIAN
BASTI, UDAYACHAL PATH, BEHIND PETROL
PUMP, GUWAHATI ASSAM 781005
Ph. 9435148296
e-mail : dpcoghy@gmail.com

Certificate of the Statutory Auditors' Certificate (SAC)

We have examined the books of accounts and other records of **Grameen Development & Finance Pvt. Ltd.** for the Financial Year ending March 31, 2019. On the basis of the information submitted to us, we certify the following:

Sl.	Particulars	Details
1	Name of the company	Grameen Development & Finance Pvt. Ltd.
2	Certificate of Registration No.	B-08.00185 Dated: 18.08.2014
3	Registered office Address	C/o Grameen Sahara, Dubjeni, Kuls Road, Chhaygaon-781124(ASSAM)
4	Corporate office Address	C/o Grameen Sahara, Dubjeni, Kuls Road, Chhaygaon-781124(ASSAM)
5	The company has been classified by RBI as :	NBFC-MFI
6	Net Owned Fund (in ` Crores) (Calculation of the same is given in the Annex)	Rs.4.91 Cr
7	Total Assets (in ` Crores)	Rs.56.93 Cr
8	Asset-Income pattern: (in terms of RBI Press Release 1998-99/1269 dated April 8, 1999) a) % of Financial Assets to Total Assets b) % of Financial Income to Gross Income	a) 70.85% of Financial Assets to Total Assets * b) 87.67% of Financial Income to Gross Income *
9	Whether the company was holding any Public Deposits, as on March 31, 2018? If Yes, the amount in ` Crore	No. The company was not holding any Public Deposits as on March 31, 2019
10	Has the company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund? (in terms of Sec 45-IC of the RBI Act, 1934).	Yes. The company has transferred 20% of its Net Profit for the year to Statutory Reserve Fund
11	Has the company received any FDI? If Yes, did the company comply with the minimum capitalization norms for the FDI?	No. The company has not received any FDI during the financial year 2018-19
12	If the company is classified as an NBFC-Factor; a) % of Factoring Assets to Total Assets b) % of Factoring Income to Gross Income	N/A
13	If the company is classified as an NBFC-MFI; % of Qualifying Assets to Net Assets (refer to Notification DNBS.PD.No.234 CGM (US) 2011 dated December 02, 2011)	90.60 % of Qualifying Assets to Net Assets **
14	If the company is classified as an AFC; a) % of Advances given for creation of physical / real assets supporting economic activity to Total Assets b) % of income generated out of these assets to Total Income	N/A
15	If the company is classified as an NBFC-IFC % of Infrastructure Loans to Total Assets	N/A
16	Has there been any takeover/acquisition of control/ change in shareholding/ Management during the year which require prior approval from RBI (Yes/No) If yes, please specify.	No. There has been no takeover/acquisition of control/ change in shareholding/ Management during the year





AUDITOR'S REPORT:


In terms of paragraph 2 of Notification No. DNBS.201/DG(VL)-2008 dated September 18, 2008, a separate report to the Board of Directors of the company has been made.

I have read and understood paragraph 5 of Notification No. DNBS.201/DG(VL)-2008 dated September 18, 2008.

Place: Guwahati
Dated: 02/07/2019



For **D.Patwary & Co.**
Chartered Accountants


(CA Deepak Patwary)
(Partner)

M No. 060647
FRN-324523E

UDIN: 1906047AAAACU5234

* Financial assets has been taken to include Microfinance Loan (current as well as non-current). Consequently,

1) **Financial to Total Assets:** Total Micro Finance Loan/Total Assets(Net of Intangible Assets) = (4033.53 lacs / 5693.31 lacs) * 100 = 70.85%
2) **Financial Income to Total Income:** Income generated from financial assets/Total Income = (770.03 Lacs / 878.30 Lacs) * 100 = 87.67%

** Qualifying Assets means Total micro finance loan and Net Assets has reckoned as Total Assets minus Cash and Bank Balance including FD
= (3975.14 Lacs / 4387.42 Lacs) * 100 = 90.60%





AUDITOR'S REPORT:

Annex

	Capital Funds - Tier I	(` In Crores)
1	Paid up Equity Capital	Rs.3.49
2	Pref. shares to be compulsorily converted into equity	-
3	Free Reserves:	
	a. General Reserve	Rs. 0.05
	b. Share Premium	Rs. 0.11
	c. Capital Reserves	-
	d. Debenture Redemption Reserve	-
	e. Capital Redemption Reserve	-
	f. Credit Balance in P&L Account	Rs. 1.10
	g. Other free reserves (may be specified)	-
4	Special Reserves U/S 45 IC of RBI Act, 1934	Rs. 0.33
	Total of 1 to 4	Rs. 5.08
5	Less: i. Accumulated balance of loss	
	ii. Deferred Revenue Expenditure	-
	ii. Deferred Tax Assets (Net)	Rs.0.10
	iii. Other intangible Assets	Rs.0.07
	Owned Fund	Rs.4.91
6	Investment in shares of	
	(i) Companies in the same group	-
	(ii) Subsidiaries	-
	(iii) Wholly Owned Subsidiaries	-
	(iv) Other NBFCs	-
7	Book value of debentures, bonds outstanding loans and advances, bills purchased and is counted (including H.P. and lease finance) made to, and deposits with	
	(i) Companies in the same group	-
	(ii) Subsidiaries	-
	(iii) Wholly Owned Subsidiaries/Joint Ventures Abroad	-
8	Total of 6 and 7	-
9	Amount in item 8 in excess of 10% of Owned Fund	
10	Net Owned Fund	Rs. 4.91





AUDITOR'S REPORT:

D.PATWARY & CO.

Chartered Accountants



1ST FLOOR, MASTER ENCLAVE, CHRISTIAN
BASTI, UDAYACHAL PATH, BEHIND PETROL
PUMP, GUWAHATI ASSAM 781005
Ph. 9435148296
e-mail : dpcoghy@gmail.com

To,
Grameen Development & Finance Pvt. Ltd.
C/o Grameen Sahara, Dubjeni, Kuls Road,
Chhaygaon-781124(ASSAM)

As required by the Non Banking Financial Companies Auditor's Report (Reserve Bank) Direction, 2008 issued by the Reserve Bank of India in exercise of power conferred by section 45MA(IA) of the Reserve Bank of India Act, 1934 and on the basis of such checks as we considered appropriate we hereby report that:-

1. The company is engaged in the business of Non Banking Financial Institutions and it has obtained the certificate of Registration NO: B-08.00185 dated 18.08.2014.
2. The company is entitled to continue to hold such certificate of registration in terms of its assets/income pattern as on 31.03.2019.
3. The company has been correctly classified as NBFC-MFI as per the Directions set.
3. The Board of Directors have duly passed a resolution for non acceptance of "Public Deposits" within the meaning of paragraph 2(1) (Xii) of the Non Banking Financial Company Acceptance of Public Deposit (Reserve Bank) Directions, 2008 for the financial year ended 31.03.2019.
4. The company has not accepted any "Public Deposit" within the meaning of paragraph 2(1) (Xii) of the Non Banking Financial Company Acceptance of Public Deposit (Reserve Bank) Directions, 2008 for the financial year ended 31.03.2019.
5. The company have complied with the prudential norms relating to Income recognition, Accounting Standards, Assets classification and provisioning for bad and doubtful debts as applicable to it.

Place: Guwahati
Dated: 02.07.2019

For **D.Patwary & Co.**
Chartered Accountants


(CA Deepak Patwary)
(Partner)
M No. 060467
FRN-324523E



UDIN: 19060467AAAACU5234





AUDITOR'S REPORT:

D.PATWARY & CO.
Chartered Accountants



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BASTI, UDAYACHAL PATH, BEHIND PETROL
PUMP, GUWAHATI ASSAM 781005
Ph. 9435148296
e-mail : dpcoghy@gmail.com


TO WHOM IT MAY CONCERN

We do hereby certify that **Grameen Development & Finance Pvt. Ltd., C/o Grameen Sahara, Dubjeni, Kuls Road, Chhaygaon-781124(ASSAM)** engaged in the business of non-banking financial institution as at 31/03/2018 requiring it to hold a certificate of Registration under Sec 45-1A of the RBI Act. The company Hold Certificate of Registration B-08.00185, issued to them by Reserve Bank of India, Guwahati under section 45-1A of the RBI Act, 1934, with reference to position of the company as at the end of financial year ending on 31st March, 2019 where in the company is holding financial assets more than 50% of its total assets and the Income from the financial assets is more than 50% of its gross income.

Further, the company is carrying on as its principal business of providing finance by making loans or advances and as at 31/03/2019 the net loans or advances (net of provisions) was Rs. 4033.53 Lac which is 70.85% of its total assets and the income from interest on loans for the financial year 2018-19 was Rs. 784.76 Lac which is 89.53% of its total income.

Place: Guwahati
Dated: 02/07/2019

For **D.Patwary & Co.**
Chartered Accountants


(CA Deepak Patwary)
(Partner)
M No. 060467
FRN-324523E



UDIN: 19060467AAAACU5234





AUDITOR'S REPORT:

D.PATWARY & CO.
Chartered Accountants



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To WHOM IT MAY CONCERN

This is to certify **Grameen Development & Finance Pvt. Ltd., C/o Grameen Sahara, Dubjeni, Kuls Road, Chhaygaon-781124(ASSAM)** had a net owned fund of Rs. 489.99 Lac as at 31.03.2019 as shown below:

Rs. In Lakhs

Paid up equity capital		348.56
Share Premium account	11.19	
Credit Balance in P/L A/c	110.15	
General Reserve	4.50	
Statutory Reserve u/s RBI Act	33.31	
	-----	159.15
Less: Intangible Assets, deferred revenue exp. & accumulated losses		17.72
Less: Investment in shares/loan advances/ Investment in bonds/debentures/bills Purchases and discount made to and deposit with subsidiaries company in the same group.		Nil
		489.99

This is further certified that the said company is not accepting/holding public deposits as at 31.03.2019 and has complied with prudential norms as applicable to it for the financial year 2018-19

Place: Guwahati
Dated: 27.06.2018

For **D.Patwary & Co.**
Chartered Accountants



(CA Deepak Patwary)
(Partner)

M No. 060467

FRN-324523E

UDIN: 19060467AAAACU5234





AUDITOR'S REPORT:

D.PATWARY & CO.
Chartered Accountants



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To,
The Board of Director,
Grameen Development & Finance Pvt. Ltd.
C/o Grameen Sahara, Dubjeni, Kuls Road,
Chhaygaon-781124(ASSAM)

As required by "Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016" reference Master Direction DNBS. PPD.03/66.15.001/2016-17 dated September 29, 2016, we furnish below a statement on the matters specified in paragraphs 3 and 4 of the said direction to the extent applicable to the **Grameen Development & Finance Pvt. Ltd.** for the year ended 31/03/2019.

STATEMENT

A) In the case of all Non- Banking Financial Companies:

Matters	Compliance Status
1) Whether the company is engaged in the business of Non-Banking Financial institution and whether it has obtained a certificate of registration (CoR) from the Bank.	The company is engaged in the business of Non Banking Financial Institutions and it has obtained the certificate of Registration NO: B-08.00185 dated 18.08.2014
2) In case of Co. holding CoR issued by the Bank whether that company is entitled to continue to hold such CoR in terms of its Principal Business Criteria (Financial asset/income pattern) as on March 31 of the applicable year.	Yes
3) Whether the non-banking financial company is meeting the required net owned fund requirement as laid down in Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016	Yes

B) In case of Non-Banking Financial Company accepting/Holding public deposits:-

This para is not applicable to the company as the company is not accepting/holding public deposits.





AUDITOR'S REPORT:

C) In case of a Non-Banking Financial Company Not accepting/public deposits:-

Matters	Compliance Status
1) Whether the Board of Directors has passed a resolution for the non-acceptance of any public deposits	Yes
2) Whether the company has accepted any public Deposits during the relevant period/ year.	No
3) Whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;	Yes
4) In respect of systematically important Non-Deposit taking NBFC's as defined Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016: whether the capital adequacy ratio as disclosed in the return submitted to the Bank in the form NBS-7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank	NA
5) Whether the company has furnished to the Bank the annual statement of capital funds risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period.	NA
6) Whether the non banking financial company has been correctly classified as NBFC Micro Finance Institutions (MFI) as defined in the Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016?	Yes

D) In the case of a company engaged in the business of non-banking financial institution not required to hold CoR subject to certain condition.

This para is not applicable to the company.

Place: Guwahati
Dated: 02/07/2019



UDIN: 19060467AAAACU5234

For D.Patwary & Co.
Chartered Accountants

(CA Deepak Patwary)
(Partner)

M No. 060467
FRN-324523E





Management profiles

GDFPL is a young organization, so its team is. They are from diverse educational backgrounds with experience ranging from 5 to 12 years majority of which are related to microfinance. Most of them have completed at least five years of experience with GDFPL. They are from management, finance, economics, commerce, engineering, agriculture, arts, science, IT, etc and they carry a lot of expertise altogether. Many of also have got equity investment in the company as a gesture of their involvement and commitment to the company.



Mr. SS Mohan,
Head, Operations:



Mr. Sujit Banik,
Head Accounts & Finance



Mr. Gautam Goswami
Company Secretary and
Compliance Officer



Head, IT and System
administration



Mr. Bhaskar Goswami,
Head, Field Operation
(Organic portfolio)



Mr. Rajesh Baishya,
Head, Field Operation (BC)
SPM & Grievance Redressal



Ms. Mira Das, Head,
External Reporting & Compliances



Rumi Thakuria, Head, MIS



Head, HR & Admin



Mr. Nitul Kalita, Head,
Internal Audit & Control





Coming together is a beginning, Keeping together is progress, Working together is success.





Plan for FY:2019-2020

Dashboard	Financial Figures in INR Lakhs
Particulars	Mar-20
Total Exclusive Branch (Own)	14
Total Exclusive Branch (Partner -1)	10
Total Exclusive Branch (Partner -2)	6
Total Exclusive Branch (Partner -3)	0
Total Branch	30
Total Exclusive Field Staff (Own)	56
Total Exclusive Field Staff (Partner -1)	30
Total Exclusive Field Staff (Partner -2)	18
Total Exclusive Field Staff (Partner -3)	0
Total Field Staff	104
Total Staff	168
Total Exclusive Portfolio (Own)	6508.10
Total Exclusive Portfolio (Partner -1)	4207.57
Total Exclusive Portfolio (Partner -2)	2030.02
Total Exclusive Portfolio (Partner -3)	565.57
Total Portfolio	13311.26
Total Exclusive Client (Own)	32540
Total Exclusive Client (Partner -1)	21038
Total Exclusive Client (Partner -2)	10150
Total Exclusive Client (Partner -3)	2828
Total Client	66556
No of clients per Field Staff	640
Total Exclusive Disbursement Amount (Own)	6975.00
Total Exclusive Disbursement Amount (Partner -1)	5512.50
Total Exclusive Disbursement Amount (Partner -2)	2550.00
Total Exclusive Disbursement Amount (Partner -3)	765.00
Total Disbursement Amount	15802.50
Total Income	1509.54
Total Expenses	1215.10
Profit After Tax	162.76
Additional Capital Required	500.00
Debt Equity Ratio	5.67
Operating Expense Ratio	12.41
CRAR	23.26
OSS	124.23
ROA	2.29
ROE	13.82
Yield on Portfolio	21.58

Total on balance sheet
portfolio

65 Cr

Total no of clients

66556

No of branches -

30

Total no of staff

168

Total BC portfolio

68 Cr

Total disbursement

158Cr





Partnership & Association

Financial Institutions



BANKS



NBFC



Credit Information Bureaus



INSURANCE



System Partner





“MAN IS THE MAKER OF HIS OWN HAPPINESS”



GRAMEEN DEVELOPMENT & FINANCE PVT LTD
Dubjeni, Kuls Road, Kamrup, Assam-781124
e-mail: grameendevfpl@gmail.com
Web: www.gdfpl.com

