



# GRAMEEN **G D F** DEVELOPMENT & FINANCE PVT LTD



**SUPPORTING  
SUSTAINABLE  
LIVELIHOODS**

**ANNUAL REPORT  
2017-2018**



[grameendevfpl@gmail.com](mailto:grameendevfpl@gmail.com)



[www.gdfpl.com](http://www.gdfpl.com)



+91-3623-261954

## PERFORMANCE AT A GLANCE

INDICATOR	Mar-18
▶ Number of States	3
▶ Number of Branches	19
▶ Number of Districts	9
▶ Number of Village/Ward Covered	757
▶ Number of Field Staff	63
▶ Total Number Staff	103
▶ Number of Centres	1874
▶ Number of Groups	1874
▶ Number of Borrowers	19202
▶ Loan Disbursed (in Rs. lakh) during the FY	3723.98
▶ Loan Portfolio ( in Rs. lakh)	3037.86
▶ On Time Repayment Rate	99.68%
▶ Portfolio At risk> 30 days	0.62%



INDICATOR	Mar-18
▶ Borrower Per Credit Officer	305
▶ Outstanding per Credit Officer ( in Rs. lakh)	48.22
▶ Outstanding per Branch Office ( in Rs. lakh)	159.89
▶ Operational Self Sufficiency	110
▶ Financial Self Sufficiency	110
▶ Yield on Portfolio [taking interest on loan and admin. charge	22.75
<b>Financial Ratios</b>	
Net profit (in Rs. lakh)	47.81
Capital Adequacy Ratio	15.96
Net Owned Fund (in Rs. lakh)	434
TOL/TNW	7.1
Debt Equity Ratio	6.93
Operational Expenses Ratio [annualized]	9.9
Financial cost to total cost	59.39
Operational cost to total cost	40.76
Return on Asset	1.28
Return on Equity	13.84

## GRAMEEN DEVELOPMENT & FINANCE PVT LTD

### TABLE OF CONTENTS

---

1. An Overview
  - Our Vision & Mission
  - Objectives
  - Values
2. Messages
3. Governance & Board of Directors
4. Management
5. Background of the company
6. Approach – Client Focus
7. Strengths & Discipline
8. Methodology
9. Directors' Report
10. Management Analysis Report
11. Operational Performance
12. Financial Performance
13. Resource Mobilization
14. Credit Rating
15. Risk Management
16. Internal Audit/Vigilance/Credit/  
Operational risk/Service Quality



19. Information Technology & MIS
20. Human Resources
21. Corporate Governance Report
22. Success Story
23. Social Performance Report
24. Competitive Strength
25. Non-Financial Services
26. Product Details
27. Operational Performance Data
28. Geographical Coverage area
29. Charts & Diagrams
30. Plan for next financial years
31. Audited Financials
32. Partnership & collaboration
  - Investors
  - Lenders
  - Credit Bureaus
  - IT partners
33. Staff Groups picture



## 01. AN OVERVIEW

- Why we do exist
- Our Vision & Mission
- Objectives
- Registration Details
- Award and Recognition

### 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.

### Mission

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

### Vision

To emerge as the most preferred MFI supporting Three hundred thousand Families in the north eastern part of India by 2023.

### 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 well being of the community.

*"A business that makes nothing but money is a poor business". Henry Ford.*

Values :



Transparency



Accountability



Professionalism:  
Utilizing expertise to maximize effects.



Commitment:  
Converting promise to action



Respect, care and ethical practices



Passion: Strong desire to serve the un-served



Integrity: Honesty in every action, adherence, to organization's rules, systems and processes



### 02. MESSAGE FROM THE MANAGING DIRECTOR

GDF, as MFI, has successfully completed 4 years in the service of poor and disadvantaged families. Although not very exciting in terms of operational and financial performance, its achievements have been above the industry averages. It has continued its meaningful work with new milestones, improved performance, good governance, maximum utilization of capital and also excellent compliance. Three new branches have been opened out of which two have been made operational in the district of Bongaigaon and Barpeta in Assam. In terms of equity infusion the company has got only Rs.47.5 lakhs from existing investors. Although the company could not get the disbursement it has got an approval of Rs.200.00 lakhs from NEDFi in the form of Optionally Convertible Preference Shares and Rs.77.50 lakhs in the form of Compulsorily Convertible Preference shares from individual investors making the total Rs.277.50 lakhs which will help the company raise its portfolio by additional Rs.2000.00 lakhs. With the emergence of Small Finance Bank the microfinance sector has a paradigm change. Now there are more players on grounds that provide whole range of financial services at low cost making the ground more competitive. GDF still has place and people to work with as the concentration is found mostly in the urban and semi-urban areas in the region. Plenty of un-served areas are there to serve in. 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.

With limited resources the company has accomplished its CSR mandate set by itself. Continuously financial literacy program, health program and also enterprise development support programs have been organized. As a small company GDF has not been able to reach significant numbers but in terms of quality services the company has been able to have a good relationship with the customers. Although constrained with resource availability in some instances for which we could not serve them on time, the clients have continued and have been willing to continue with the company. There are emerging issues in the society and these issues need attention and attendance. GDFPL has been working out to address one or two such issues that are most pressing and that are possible to get resolved through its CSR mandate. There is process improvement than before and capable of taking care of growing operation. 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 been present in those locations where it has been implementing development project. In addition I am happy to note that without any doubt, the dedication and hard work of our staff will help us move ahead in this direction. We are currently providing a single loan product. During the next financial year we are going to pilot two products and based on the performance we may launch the product in the market. The Board of Directors is fully committed 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. GDFPL is socially focused and customer centric organization and always try to pass on the benefits that accrues from the operational efficiency. The strength of the systems and processes of the company was reflected during the demonetization.

We could overcome the situation in spite of adverse situation been made possible because of the support from our dedicated staff, Board of Directors, stakeholders, lenders, investors and above all, our esteemed and highly disciplined women borrowers.

*“There comes a point in your life when you need to stop reading other peoples’ books & write your own.” Albert Einstein*

There will be need of more technological innovations and interventions, geographical expansion, more capital infusion, and more innovation in service delivery. 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 take this opportunity to convey my thanks to staff, officials, members and well wishers for their all out support and contributions.

I would like to acknowledge with gratitude for the support from NEDFi, SIDBI, Assam Gramin Vikas Bank, IDBI Bank, Oiko Credit, Assam Financial Corporation, National Scheduled Caste Development Finance Corporation, Reliance Commercial Financial, Electronica Finance, and other financial institutions and also the investors who have shown confidence on us.

I also sincerely thank the Board of Directors for its guidance and support in taking the company ahead.

I look forward to your continued support in this journey.

Sarat Chandra Das  
Managing Director



*In the future the question will not be, "Are people credit-worthy",  
but rather, "Are banks people-worthy?" Muhammad Yunus*

## 03. BOARD OF DIRECTORS

**Sarat Chandra Das**



**Managing Director & CEO**

With more than 20 years of experience in organizations like RGVN, Sa-Dhan HDFC Bank etc, Mr. Sarat Chandra Das brings in with him dynamicity, vision and integrity. These apart, he has a strong track record in microfinance sector. He founded Grameen Sahara in 2002 and has been responsible for overall strategy formulation. With his dynamic leadership and strong decision making capability Grameen Sahara has become a reputed development support organization. Microfinance program of Grameen Sahara has been successfully transformed into a regulated MFI under his leadership. He is basically a social entrepreneur with diverse experiences in –the development sector, banking, and microfinance business management. He got versatility in social mobilization, system innovation, Facilitation, Process Mapping, system development and Support. He has travelled different parts of the country and abroad. Primarily a grass root worker and leader Mr. Das is a graduate in Fisheries Science from Assam Agricultural University, having 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 Course in IIM, Ahmadabad, and a Program on Organized Farmers as Partners in Agri Business in CDI, Wageningen University. He has got an Executive Certificate in Strategy and Leadership from Jack Welch Management Institute.

**Mr. Srijib Kr. Baruah**



**Executive Director, NEDFi**

Mr. Srijib Kumar Baruah, Executive Director of NEDFi has been a nominee director in the Board of Grameen Development & Finance Private Limited. Mr. Baruah has vast experience in the development finance. He has extensive exposure in the region and brings in a lot of expertise, knowledge, strategies, system improvement and strong governance practices. He has been an Associate member of Company Secretaries of India and an law graduate (LLB) academically and also has got a Management degree as well. His area of experience includes Civil Administration, Accounts, Company Secretarial Affairs, Human Resource Development, Legal & Recovery, and overall administration, Business Development, Consultancy & Advisory and Micro Finance. Mr. Baruah's participation has given the Board of the Company a new dimension.



*“There is nothing more beautiful than someone who goes out of their way to make life beautiful for others.” Mandy Hale:*



### Mr. Mrinal Baishya



Former General Manager  
United Bank of India

Mr. Mrinal Baishya MA, LLB served as Chief Public Information Officer And General Manager of planning & Development of United Bank of India. He was the second Chairman of Pragjyotish Gaonlia Bank, the major constituent of the Assam Gramin Vikash Bank. He retired as the General Manager of United Bank of India, with 40 years of experience in coordinating, supervising and implementing the bankable projects through the network of rural and semi urban branches more particularly in microfinance sector. He is currently associated with GDFPL as an Independent Director. Mr. Baishya brings in his banking experiences and expertises to GDFPL to make the company robust and a successful enterprise.

### Mr. Tilak Das



Former Dy. General Manager  
State Bank of India

Mr. Tilak Das B.Sc. Agricultural Economics is a retired Deputy General Manager, Head of Agri-Business, NE State, State Bank of India. He has an experience of more than 35 years in banking in the areas of rural development, financial inclusion, agricultural projects, training in behavioural science & management skill, retail banking, business process reengineering, SHG bank linkage, designing of organizational development interventions etc. He is currently associated with GDFPL as an Independent Director. He brings in his vast experiences to GDFPL which helped the company in getting a strategic direction with a strong internal systems.

### Mr. Dandi Ram Kalita



Director, GDFPL

Mr. Dandiram Kalita, BA (Economics), is retired officer from Allahabad Bank. During his association with Allahabad Bank he actively worked for employees' welfare associations and later, after his retirement he joined hands with Grameen Sahara and was initially associated as an adviser. Presently, he is one of the directors of Grameen Development & Finance Private Limited and an integral part of the Internal Audit system of the Company. He is also a member of PRAYAS, a reputed Trust for Socio-Economic Development and carries out Financial Literacy Camp for the company. Mr. Kalita brings in development perspectives to the Grameen family and has placed the staff development systems in the company.

*"Be so good they can't ignore you." Steve Martin*

## 04. MANAGEMENT PROFILES

Grameen Development & Finance Pvt Ltd has got a young and dynamic senior management team with diverse background and experiences ranging from five years to ten years.



Mr. SS Mohan  
Head, Operations



Mr. Sujit Banik  
Head Finance



Ms. Mira Das  
Head, Compliances



Head, IT and System  
administration



Rumi Thakuria  
Head, MIS



Head, HR & Admin



Mr. Nitul Kalita  
Head, Internal  
Audit & Control:



Mr. Bhaskar Goswami  
Head, Field  
Operation:



Mr. Rajesh Baishya  
Head, SPM & Grievance  
Redressal:

**GDFPL** has got a strong dynamic and young management team from diverse educational back ground and experiences. They are from management, finance, economics, commerce, engineering, agriculture, arts, science, IT, etc and they carry a lot of experiences and expertise altogether. Their association with the company ranges from few years to many years. They have also got equity investment in the company as part of the promoter group.

### 05. BACKGROUND OF THE COMPANY

Sharnarathi 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

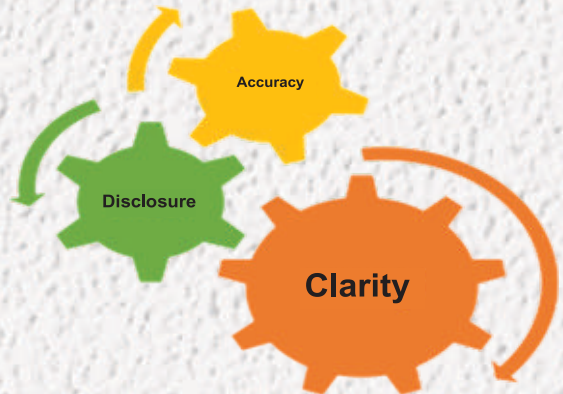
carry on the business of non-banking finance company under section 45(IA) of Reserve Bank of India Act, 1934. Consequent to shifting of registered office of the company to the State of Assam, a new Certificate of Registration (CoR) bearing no. B-08.00135 dated 14 March 2014 by Reserve Bank of India, 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.

GDFPL is the outcome of Grameen Sahara's (NGO) financial inclusion efforts by way of a direct microfinance program implemented with the financial support from RGVN, NEDFi and other financial institutions and also with the support from technical agencies like Microsave, ABN Ambro Foundation and so on. While the program of Grameen Sahara was growing it was increasingly felt by its management and also there were advices and suggestions from various quarters that we should have a properly regulated entity that can extend microfinance services in a prudent manner. As a result a promoter group was formed and decided to take over an existing company based in Abohar, Punjab. The company was taken over and got the microfinance program of Grameen Sahara transformed into the company. Now the company runs on its own. There is no longer direct microfinance program exists with Grameen Sahara. Today the company has been operating from 21 locations across three states with a portfolio of Rs.30.00 cr with a customer base of 20,000.



**06. APPROACH :**

We as an MFI has always focused on those families with no or limited access to credit and financial services. We also focus on those families who are engaged or have the potential and interest to get engaged in economic activity. The company provides not only credit but also facilitate accessing other required services from other agencies, department or organizations including Grameen Sahara. Although we are constrained with the capacity to provide multiple products we always try to offer them suitable repayment schedule like weekly and bi-weekly as may be suitable for the borrowers. Customers needs are always honoured and we follow a responsible pricing and delivery. 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 GDFPL. We also ensure customers are safe by facilitating them with health/life insurance products. 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 client base of the company includes mostly economically and socially disadvantaged section of the society. They are economically active and either not served or under-served by the formal financial institutions. 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 GDFPL.





## Clients Focus :

### The company has always been transparent and responsible in pricing

- ❖ Tried to be Competitive in pricing among top smaller MFIs
- ❖ Transparency by communication of all Loan Details
- ❖ Effective reduction of Interest rates



### 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.



"A ship in the harbor is safe, but that is not what ships are built for."

John A. Shedd

## Strict adherence to code of conduct (COCA)

- ❖ 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



## 07. STRENGTHS AND DISCIPLINES :

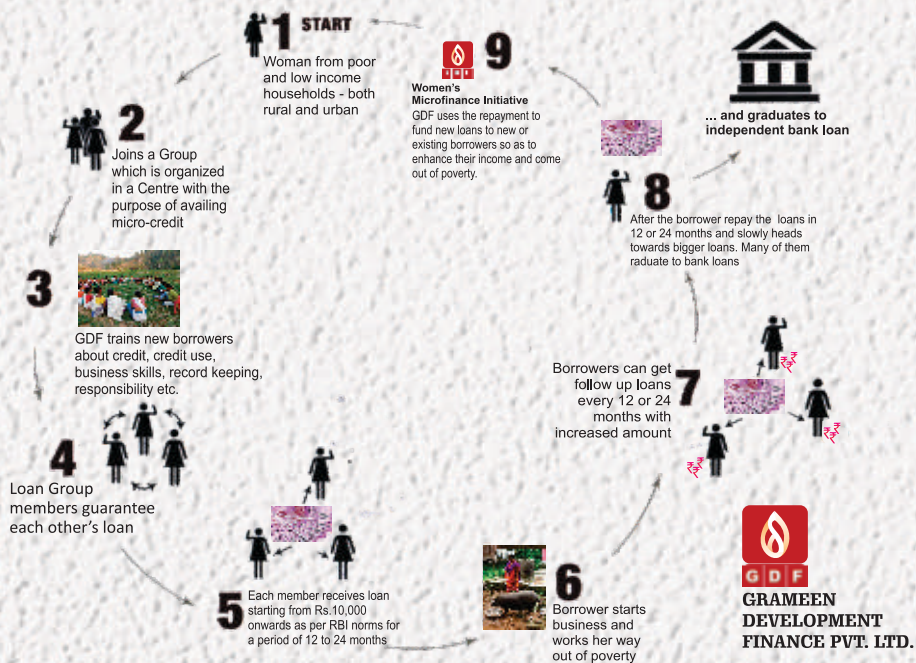
The Company is in operation since last four years and has the following strengths and disciplines :

- Strong Board of Directors with Banking and Financial backgrounds.
- Strong team of professionals from different fields like management, engineering, agriculture, economics, commerce, science, social work, etc.
- Strict adherence to RBI guidelines;
- Has own Fair Practice Codes, based on RBI guidelines and Industrial ethics;
- Follows Codes of Conduct prescribed by Sa-Dhan, a Self-Regulatory Organization (SRO) for NBFCs in India. Sa-dhan's code emphasizes on ethical behaviour and requires that all the terms and conditions pertaining to loan including any penalties thereof to be communicated to the clients.
- The Company is rated as M4C3 by reputed Rating Agency SMERA, which has been accepted by the funding agencies like SIDBI, NEDFi, AFC, Oiko Credit, and banks etc as qualified investment grades.



- The Company has very well disseminated the guidelines for client origination and targeting among the branches.
- The Company has a well defined grievance redressal policy and mechanism for capturing clients' grievances and complaints
- The Company has been very active in organizing enterprise promotion training camps and financial literacy camps for the clients.
- 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.

## 08. MICROFINANCE METHODOLOGY :



The company works with joint liability groups of women borrowers. Five to twenty eligible woman borrowers are organized into group and two or more such groups are brought in to a centre in a village. more then one such centre may be formed in one village based on the number of borrowers. There is a system of

compulsory group training, group recognition test and also compulsory credit bureau check. Only after the group is found to be eligible as per RBI guidelines the group recognition test is done and application for loan is process. The loans are provided on basis of joint liability by the group in the repayment of



Poultry Farm by a 3rd Cycle loanee at Loharghat.

loans by the members. we have the repayment schedule of weekly, bi weekly and also in limited cases in monthly repayment schedule. No collateral or security is asked for against the loans availed by the borrowers. Loans are given for a period of 12 to 24 months. From one house hold only one member is provided credit. We also Facilitate life insurance services in collaboration with LIC and BAJAJ.

## 09. DIRECTORS' REPORT :

To The Members,

Your directors have pleasure in presenting to you the Annual Report together with the audited accounts of the company for the year ended March 31, 2018.

### Overview

The Company was originally incorporated as Sharnartha Leasing and Finance Pvt Ltd in the year 1989 as a Private Limited Company registered with ROC, Chandigarh under Companies Act 1956 and registered as NBFC with RBI, Chandigarh. Subsequently, upon receipt of necessary approvals the name was changed to M/S Grameen Development & Finance Pvt Ltd (GDFPL) on 08-08-2014. RBI, Guwahati issued a fresh license on 18-08-2014 in the name of GDFPL. The Company was further classified as NBFC-MFI in December 2014. And microfinance



operation was started Pursuant to a certificate issued by the Reserve Bank of India ("RBI") December, 2014 by Guwahati Regional Office, Department of Non Banking Supervision as a Non Banking Financial Company ("NBFC") – Microfinance Institution under section 45 IA of the Reserve Bank of India Act, 1934.



## Salient Business growth summary :

### **Audited Statements of Accounts for the Financial Year Ended 31st March, 2018.**

Financial Summary/Highlights, state of affairs: The Company's financial performance for the year under review along with previous year's figures is given hereunder:

Particulars	31/03/2018(Rs.)	31/03/2017(Rs.)	Growth
Income from Business Operation	69123650	52006159	32.91%
Other Income	4791593	5722031	
Total Income	73915243	57728190	28.04%
Profit before interest and depreciation	48872360	35638787	37.13%
Less Interest	41054584	29540537	38.98%
Profit before Depreciation	7817776	6098250	28.20%
Less Depreciation	982865	934552	
Profit after Depreciation	6834911	5163698	32.36%
Less Current Income Tax	1980000	1969130	
Less Previous Year adjustment of Income Tax	59425	7609	
Less Deferred Tax	30048	-207191	
Net Profit after Tax	4765438	3409369	39.77%
Earnings per share (Basic)	1.46	1.09	33.94%
Earnings per share (Diluted)	1.46	1.09	33.94%

The Company has posted a profit after tax (PAT) of INR 47.81 lakhs for FY 17-18 as compared to a PAT of INR 34.09 lakhs for FY 16-17. A sum of INR.956,188.00 is transferred to statutory reserves in FY 18 as against INR 6,81,874 in FY 17. Consequently, the surplus in the P&L Account to be carried forward has increased to INR47,80,942 lakhs in FY 18 as against INR 34,09,369 for FY 17. ROE for FY 17 was 9.40% and during 2018 ROE was 10.60%. The Company witnessed growth in most of the parameters during the reporting year. It could raise required funding corresponding to the capital fund of the company to the maximum limit that could match the business and operational needs, leveraging on its existing relationship with banks and financial institutions, and also forming relationship with new lenders.

### **Your Company's organizational highlights for FY 2017-2018 are as follows :**

Year ended	2018	2017	Growth in %
Branches	19	17	11.8
States	3	3	0
Districts	9	7	28.6
Borrowers	19202	17,892	7.3
Loan disbursed (Rs)	372,398,000	279,580,000	33.2
Portfolio Outstanding (Rs.)	303,786,125	244,711,000	24.1

*"I have not failed. I've just found 10,000 ways that won't work." Thomas Edison*

The Company's overall performance during the year was, as stated above, not spectacular but resulted improvement in all operational and financial parameters like size of portfolio, number of borrowers, areas covered etc. As capital infusion could not be completed which was sanctioned by NEDFi and a few individual investors within the financial

**Capital Infusion :** During the year under review, the Company could raise INR 47.50 lakhs of equity capital by way of conversion of preference shares. The company was expecting a sum of Rs.300.00 lakhs from institutional and individual investment. But the transaction could not be completed due to procedural delay. During the next financial year there will be capital infusion at least with Rs.300 lakhs.

**Resource mobilization** During the year under review, the Company had

year the company could not expand its operation much. The company could commission two branches in two different districts. Considering the limitation in the potential in the existing branches due to competitions created by the bigger MFIs the company has planned to expand to other areas where there is higher scope of expansion.

diversified the sources of funds and raised a sum of INR 26.32 Cr by way of short term, long term loans and also convertible preference shares.

**The networth** of the Company as on March 31, 2018 was INR 4.34 Cr and the capital adequacy ratio as on March 31, 2018 was however not strong which stands at close to only 16% higher than the benchmark. The Company has high cost debt and it increased from the last year's borrowing cost.

### CHANGE IN THE NATURE OF BUSINESS, IF ANY

There has not been any change in the nature of the business of the Company during the year. The company has continued with direct retail microfinance services to the poor and underprivileged families. The company also has facilitated micro-insurance services for life coverage. The primary business of the company is direct retail lending to micro borrowers and that is what the company has been doing since it was put in operation as NBFC-MFI. However, the company has started working with

another NBFC-MFI namely AROHAN as a sourcing and collection agency which is similar to that of BC arrangement with banks. This portfolio will not be part of the balance sheet of the company. But it will be reflected as portfolio managed for other MFI. As on 31st March we had a portfolio of Rs.68.00 lakhs as off balance sheet portfolio. As per business plan agreed by both GDFPL and AROHAN we will have Rs.15.00 Cr managed portfolio by end of the next financial year.

*"Someone is sitting in the shade today because someone planted a tree a long time ago." Warren Buffet*

### DIVIDEND

In order to retain capital for further business expansion and given extant provision of Companies Act, 2013, the Directors have not recommended any dividend for the year under review to the equity investors. However, preference dividend of INR 4,50,000.00 to SIDBI and INR 3,38,938.00 to individual investors for FY 17-18 was declared on the preference share. The whole amount of preference

shares by individual investors was converted to equity towards the end of the financial year. The company's profit will be retained as surplus to capitalize the company and thereby leveraging more external borrowing for growth of portfolio so that more revenue surpluses can be generated in the next financial year.

### TRANSFER TO RESERVE

According to Section 45-IC of the Reserve Bank of India Act, 1934 every NBFC shall create a reserve fund and transfer therein a sum not less than 20% of the net profit of each year as disclosed in the Profit and Loss account. The amount of Rs.9,56,188.00 has been transferred to Statutory Reserve during the current financial year as required NBFC-MFI compliance.

### TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Last year the company did not declare any dividend. Preferred dividend was paid to the preference shareholders on agreed terms. Therefore, there was no unpaid/unclaimed Dividend that was due from the company. So, the provisions of Section 125 of the Companies Act, 2013 do not apply to the company.

### REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

Your Directors wish to present the details of Business operations done during the year under review:

The Company is a Non-Banking Finance Company registered with the Reserve Bank of India. The Company is into the business of Micro Finance and has been duly grouped by the Reserve Bank of India under MFI category. At the end of the financial year, the Company had a balance of loans and advances amounting to Rs. 303,786,125 (as against a sum of Rs 244,710,598/= being the balance of loans and advances at the end of the previous financial year) and has earned a profit (after tax) of Rs. 4,780,942 as against a profit

of Rs. 3,409,368 (earned during the previous financial year). There has been increase in the business of the Company and your Board of Directors are expecting the trend to continue during coming years. Your company has got a plan of 100% growth for the next financial year. The company has projected a combined portfolio of Rs.75 to 85 Cr (Rs.60 Cr on balance sheet and Rs.15-25 Cr off balance sheet portfolio) in its existing as well as in the new locations in Assam and at least one more state in the region.

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

There are no material changes and commitments affecting the financial position of the Company, which has occurred between the end of the financial year of the Company i.e. March 31, 2018 and the date of the Directors' Report which could have an impact on the Company's operation in the future or its status as a "going concern". No financial or otherwise commitments were given by the company to any individual or any institution that may change the financial position of the company.

### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

The Company maintains appropriate systems of internal financial controls, including monitoring procedures. Company policies, guidelines and procedures are well documented and provide for adequate checks and balances and are meant to ensure that all transactions are authorized, recorded and reported correctly. The Company has got a Vigil Mechanism for the Directors and employees to report genuine concerns or

grievances about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct Policy. Such control mechanism has been tested and no reportable material weaknesses in the design or operation were observed. However, scope of improvements is there and that in the coming year, the board hopes to, report with even stronger control system.

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

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo under Section 134(3)(m) of the Companies Act, 2013 The provisions of Section 134(3)(m) of the Companies Act, 2013 relating to conservation of Energy and technology absorption do not apply to the Company. The Company has however used information technology extensively in its operations.

### **STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Company is exposed to uncertainties owing to the sector in which it operates. These uncertainties create new business opportunities with inherent risks. A key factor in determining a company's capacity to create sustainable value is the

level of risk that the company is willing to take (at strategic and operational level) and its ability to manage them effectively. Many risks exist in a company's operating environment and they emerge on a regular basis. The Company's risk

management processes focus on ensuring that these risks are identified timely and are reasonably addressed. The Board of GDFPL provides oversight to the organization on all risk management aspects of the organization. To ensure a proper vigilance and monitoring on the risks, although it does not have a separate department called Risk Management Department, the management committee does the regular and overall review of the risk profile. The focus is to coordinate development of required policies and thresholds and to ensure that the risks which are not within defined threshold be flagged off and followed-up for their redressal.

The Board of Directors of your Company is very particular in terms of Risk

Management framework and Policy for the Company. It identifies elements of risks inherent to the business pertaining to projects execution, operational and financial, environment, health and safety, reputation and image, compliance, etc. It also contains a control matrix in respect of sources and consequences of above risks and control measures to help manage them. In the opinion of the Board, there are no such risks that threaten the existence of the Company. Internal and external risk mitigation has been strictly implemented with letter and spirit. Except external uncontrollable threats the company is in a position to face risk and can either avoid or overcome such risky by proper planning.

### **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The provisions of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable for the Company. However, the company has, continuously, been into various development activities like financial literacy campaign, health check up camp, entrepreneurship development programs, market linkages, etc. So far the Board has not adopted the CSR Policy, or

has not formulated the policies as that is not applicable to the company. During the year under review, the Company has perused CSR activities as mentioned above. The details of the CSR activities undertaken during the year are given in the report on Corporate Social Responsibility activities in the Annual Activity Report.

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

Pursuant to the clarification dated February 13, 2015 issued by the Ministry of Corporate Affairs, Section 186(11) and the provisions of Section 134 (3)(g) of the Companies Act, 2013 requiring disclosure of particulars of loans given, investments made or guarantees given or securities provided is not applicable to the Company

"Help others achieve their dreams and you will achieve yours" - Less Brown

### RELATED PARTIES TRANSACTIONS

During the Financial Year 2017-18, Related Party Transactions as defined under Section 188 of the 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 business. Omnibus approval for related party transactions (at arm's length and in ordinary course of business) which were foreseen and repetitive in nature was obtained from the Board of Directors from time to time. The disclosures pertaining to transactions with Related Parties have been provided in the accompanying ANNEXURE A in the prescribed Form AOC -2.

### EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company. During the year under review, the Statutory Auditors of the Company have not reported any frauds as required under Section 143(12) of the Companies Act, 2013.

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

The provisions of Section 178 (1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013. However, while appointing a Director the company has always considered the qualification, experience, reputation etc of a person appointed as Director of the company.

### EXTRACT OF ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure B and is attached to this Report.

### MEETINGS OF THE BOARD OF DIRECTORS

During the FY 2017-2018, five meetings of the Board of Directors of the company was held on 18-05-2017, 25-07-2017, 18-08-2017, 20-11-2017, and 17-03-2018. The attendances of the Directors are as given in the table below -

Name of the Directors	Number of Meetings attended
Sarat Chandra Das	05/05
Srijib Kumar Baruah	05/05
Dandi Ram Kalita	05/05
Tilak Das	03/05
Mrinal Baishya	04/05

### DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- (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;
- © 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) The Company, being a Private Limited Company, the provisions relating to laying down internal financial controls is not applicable.
- (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.



Sital Pati Artisan from Dubapara, Goalpara

### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company as on 31-03-2018.

### DEPOSITS

The company is a non-deposit taking NBFC-MFI and has not accepted any deposit as defined by the Companies Act, 2013. The Company has neither accepted nor renewed any deposits during the year under review.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Mr. Sarat Chandra Das continued as Managing Director of the Company. Mr. Dandi Ram Kalita and Mr. Srijib Kumar Baruah continued as Director and Nominee Director of the Company respectively. Mr. Tilak Das and Mr. Mrinal Baishya continued as Independent Directors of the Company.

*"To be successful, you have to have your heart in your business, and your business in your heart." Thomas Watson, Sr., former CEO, IBM*

The Company being a private company, provisions relating to retirement by rotation of Directors are not applicable.

In view of the applicable provisions of the Companies Act, 2013, the Company is not mandatorily required to appoint any whole time KMPs. But still, Mr. Sarat Chandra Das, who was appointed as the Managing Director of the Company has continued to hold the post during the financial year.

### **DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

The Company is committed to provide safe and conducive work environment to its employees. The Company has a Sexual Harassment Committee with Mr. Dandi Ram Kalita, Mr. Sarat Chandra Das, Mrs. Mira Das, Mrs. Rumi Thakuria and Mrs. Nirmali Nath as its members. During the year under review, no case of sexual harassment was reported.

### **DECLARATION OF INDEPENDENT DIRECTORS**

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company. Mr. Tilak Das and Mr. Mrinal Baishya, who were appointed as the Independent Director of the Company during the financial year 2015-16, continued as Independent Directors of the Company during the financial year. Both the directors were appointed for a period of

two years. In 2017-2018 their term was extended for another period of two years and they have continued as independent directors. Both the directors were appointed for a period of two years. On completion of the first term the term of association was extended for another term of two years. Currently both the directors are in the second term of association.

### **STATUTORY AUDITORS**

Statutory Auditors – M/s D. Patawary & Co, (Firm Registration Number –324523E), Chartered Accountants Guwahati, were appointed as statutory auditors till the conclusion of the ensuing AGM. They have confirmed their eligibility under section 141 of the Companies Act, 2013 and the rules framed there under for re-appointment as Statutory Auditors of the

Company. The Directors recommend the ratification of appointment of M/S D. Patawary & Co, Chartered Accountants, as Statutory Auditors of the Company from the conclusion of the ensuing AGM till the conclusion of the AGM to be held in the year 2018. It has been made in accordance with the provisions of section 141 of the Companies Act, 2013.

### **DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company. The Company has still formed an Audit Committee and have specified its scope of activities.



## COMMITTEES

### MANAGEMENT COMMITTEE

The Company has a Management Committee with Mr. Sarat Chandra Das, Mr. Saumya Siddhartha Mohan, Mr. Bhaskar Goswami, Mr. Sujit Banik, Mr. Rajesh Baishya, Mrs. Mira Das, Mrs. Nirmali Nath, Mr. Pradip Kalita (re-designated), Mr. Rupkowar Das (resigned) Mr. Nitul Kalita, Mr. Hirakjyoti Kalita and

Mr. Sanjib Kalita. The company had 12 (Twelve) committee meetings viz. 19/04/2017, 16/05/2017, 15/06/2017, 19/07/2017, 12/08/2017, 19/09/2017, 13/10/2017, 15/11/2017, 19/12/2017, 25/01/2018, 14/02/18 and 15/03/2018 during the financial year under review.

**The number of meetings attended by the members during the FY 2017-18 is as follows:**

Name of the Members	No of Meetings attended
Sarat Chandra Das	12/12
Saumya Siddhartha Mohan	12/12
Sujit Banik	11/12
Mira Das	07/12
Nirmali Nath	10/12
Bhaskar Jyoty Goswami	12/12
Rajesh Baishya	12/12
Pradip Kalita	00/01
Rupkowar Das	02/03
Nitul Kalita	06/08
Hirakjyoti Kalita	10/12
Sanjib Kalita	10/12



Ms Apham from Dimapur, Hand Made Shoe.

### INTERNAL AUDIT COMMITTEE

The Audit Committee assists the Board in dissemination of financial information and in overseeing the financial and accounting processes in the company. The terms of reference of the Audit Committee covers all matters specified in section 177 of the Companies Act, 2013. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/financial reporting systems and reviewing of the adequacy of the financial policies and

practices followed by the Company. The Audit Committee also looks after the compliance with the legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its finding to the Board. The Committee also recommends the appointment of statutory auditor to the Board. The Committee also looks into those matters specifically referred to it by the Board. The Audit Committee of the Board is headed by an Independent Director.

## Composition: The Committee currently consists with

Mr. Mrinal Baishya,  
Mr. Tilak Das and  
Mr. Dandi Ram Kalita as its members.

The Company had 4 meetings during the financial year under review. Risk Management and the Internal Audit formed a part of discussion of the Board of Directors Meet.

## The number of meetings attended by the members during the FY 2017-18 is as follows:

Name of the Members	Number of Meetings attended
Mrinal Baishya	3/4
Tilak Das	3/4
Dandiram Kalita	4/4



Ms Naz Swer from Shillong in her Xerox and service Center

## COMPLAINT COMMITTEE TO PREVENT SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

Disclosure under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition and Redressal) Act, 2013 The company has in place an POSH Policy (Prevention of Sexual Harassment) in line with the requirement of The Sexual Harassment Of Women At Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under

this policy. The policy is also uploaded on the website of the Company. The Company has a Sexual Harassment Committee with Mr. Dandi Ram Kalita, Mr. Sarat Chandra Das, Mrs. Mira das, Mrs. Rumi Thakuria and Mrs. Nirmali Nath as its members. The Company had one committee meeting viz 27/01/2018 during the financial year under review.

## The number of meetings attended by the members during the FY 2017-18 is as follows:

Name of the Members	Number of Meetings attended
Dandi Ram Kalita	1/1
Sarat Chandra Das	1/1
Mira das	1/1
Rumi Thakuria	1/1
Nirmali Nath	1/1

*"A leader is one who knows the way, goes the way and shows the way."*  
John C. Maxwell

### RISK MANAGEMENT POLICY

GDFPL is continuously making efforts to ensure integration of risk management practices into consolidated governance and implementation structure. Conscious effort is put in developing and improving strong risk culture within the organization and having appropriate systems and tools to identify, measure and report risks for managing them. The Risk Management Department works with and across all departments within the Company. Whereas each department focuses on its specific area of activity, the Risk Management Department operates in cooperation with all other departments, utilizing all significant information sourced by the other departments in

order to improve the management of corporate risks following the guidelines approved by the Board. The Risk Management Plan forms the basis for implementation of risk management practices in detail. The company does not have a separate risk management committee. It has been a part of the Internal Audit and Control Committee. The Board comprises of professional directors with relevant experience and who are well placed to understand risks specific to GDFPL and microfinance sector in general. The Board oversees the implementation of the risk management plan principally through the IA&C Committee.

### CORPORATE SOCIAL RESPONSIBILITY POLICY

Given its operational and revenue size and in pursuance of the provisions of Section 135 and schedule VII of the Companies Act, 2013, the company does not need to have a CSR committee of the board to recommend the policy on Corporate Social Responsibility. Or it does not require to park separate funds to spend on CSR activities. However, the company has taken up a few programs on

General Health Camp, Eye Camp, Financial Literacy programs, Micro-enterprise awareness and development programs. In addition financial supports have been provided to the students from very poor families including scholarship support. A detail report on Social Activities have been given in the Annual Activity Report of the Company.

### SHARES

#### a. **BUY BACK OF SECURITIES**

The Company has not bought back any of its securities during the year under review.

#### b. **SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

*“Keep away from people who try to belittle your ambitions. Small people always do that, but the really great make you feel that you, too, can become great.” – Mark Twain*

### c. BONUS SHARES

No Bonus Shares were issued during the year under review.

### d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

### DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

### ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to Staff, bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**Sarat Chandra Das**  
(Managing Director)

**DIN: 02849186**

**Date: 27/06/2018**

**Place: Chhaygaon**



**Dandi Ram Kalita**  
(Director)

**DIN: 06902163**

**Date: 27/06/2018**

**Place: Chhaygaon**



## 10. MANAGEMENT DISCUSSION & ANALYSIS

Grameen Development & Finance Pvt Ltd provides quality, Customer responsive financial services and facilitate technical Services in order to support sustainable livelihoods of the poor And under privileged families in the NE region of India which is geographically isolated with diverge demography. While it provides these services the company thrives to emerge as self- Sustaining and robust MFI in the region.



As of 31 March 2018, the microfinance industry has total loan portfolio (i.e. loan amount outstanding) of Rs 1,36,633 Cr. This represents a growth of 27% over FY 16-17. (Micrometer, March 2018). As of 31 March 2018, Banks hold the largest share of portfolio in micro-credit with total loan outstanding of Rs 50,418 Cr. This includes both direct lending as well as indirect lending through BC partnerships. Banks thus account for almost 38% of total micro-credit universe.

NBFC-MFIs as a group remain the second largest provider of micro-credit with a loan amount outstanding of Rs 44,892 Cr (excluding BC portfolio channeled through NBFC-MFIs), accounting for 28% to total industry portfolio (i.e. loan amount outstanding). SFBs have a total loan amount outstanding of Rs 30,019 Cr with total share of 27%. NBFCs account for another 6% and Non-profit MFIs account for 1% of the universe.

In the pie-chart alongside, numbers represent loan amount outstanding in Rs Cr and share of each peer group in the universe as percentages. Compared with FY 16-17, Banks portfolio has grown by 23% , SFBs by 3%, NBFC-MFIs (excluding BC) by 48%, NBFCs by 72% and Non-profit MFIs by 7%. As of 31 March 2018, average loan amount outstanding per account for NBFCs is Rs 21,553 which is a 23% increase over last year. Data from two largest non profit MFIs, SKDRDP and Cashpor is included, excluding their BC portfolio. These two entities have gross loan portfolio of Rs 10,466 Cr however 91% of their lending is under BC partnership.

Some highlights of this quarter/ financial year are as under:

- As of 31 March 2018, 2.53 Cr clients have loan outstanding from NBFC-MFIs, which is an increase of 25% over FY 16-17.
- The aggregate gross loan portfolio (GLP) of MFIs stood at Rs 48,094 Cr as on 31 March 2018. This represents a YoY growth of 50% as compared to 31 March 2017 and 14% in comparison to 31 December 2017.
- Loan amount of Rs 59,629 Cr was disbursed in FY 17-18, representing an increase of 49% as compared to FY 16-17.
- NBFC-MFIs disbursed 268 Lakh loans during FY 17-18, an increase of 25% over FY 16-17.
- Average loan amount disbursed per account during FY 17-18 was Rs 22,273, an increase of 19% from FY 16-17.
- During FY 17-18, NBFC-MFIs received a total of Rs 20,695 Cr in debt funding, growth of 20% compared to FY 16-17. In the corresponding period NBFC-MFIs raised a total of Rs 9,631 Cr as equity, up by 40% from FY 16-17.
- Portfolio at Risk (PAR) > 30 as on 31 March 2018 is 4.44%. This does not include BFIL data. This is a significant improvement from 11.05% as on 31 March 2017.
- MFIs now cover 30 states/union territories.
- In terms of regional distribution of portfolio (GLP), East and North East accounts for 44% of the total NBFC MFI portfolio, South 20%, North 14%, West 11% and Central contributes 11%.

As of March 2018, aggregated gross loan portfolio (GLP) of NBFC-MFIs stood at Rs 48,094 Cr, growth of 50% in comparison to

March 2017 and 14% over the quarter ending December 2017. Off-balance sheet portfolio is Rs 9,409 Cr, which is 20% of the aggregated GLP. Within the off-balance sheet portfolio, portfolio created

PAR >30 has reduced considerably since March 2017 and is at 4.44% on 31 March 2018. In terms of geographic spread, 66% of the portfolio is rural and 34% is urban. In terms of purpose, agriculture loans account for 50% of the GLP. Non-agriculture (trade/services and manufacturing) loans account for 46% and household finance loans account for 4% of the GLP.

In terms of regional distribution of

### OPERATIONAL PERFORMANCE:



under Business Correspondent (BC) partnership has highest share at 34% amounting to Rs 3,203 Cr. As of March 2018, top 10 MFIs account for 76% on the industry portfolio.

portfolio (GLP), East and North East accounts for 44% of the total NBFC MFI portfolio, South 20%, North 14%, West 11% and Central contributes 11%. Five top states in terms of loan amount outstanding viz. Karnataka, Odisha, Uttar Pradesh, Bihar and Tamil Nadu, account for 53% of GLP and top 10 states account for 85% of the total industry loan amount outstanding.

**Disbursements:** During the reporting year there were less new customer acquisitions but higher number of repeat loans with slightly higher ticket sizes for our mature, vintage customers ably supported by funding, helped us sustain an average business momentum with 24% growth in disbursements over the last fiscal year.

GDFPL could not launch a significant expansion drive in FY 2017-2018 due a limited ability to mobilize capital funds. However we could open only two branches during the year. GDFPL continued with the group lending approach. The company has also started individual lending but in a very limited manner to a few matured borrowers who are graduating to micro-entrepreneurship level.

### CUSTOMER RETENTION :

Our comprehensive drive at improving customer retention by retaining quality clients and reinstating dropouts across regions yielded excellent results and saw us closing the year with a healthy more than 76% customer retention.

### EFFICIENCY



The company has tried to become efficient in terms of disbursement time, customer service, grievance redressal; branch grading, settlement of insurance claims, etc have been stressed. Limited resource mobilization has hindered certain efficiency parameters. The company has been serious in reducing the TAT. The overall environment in the sector is such that without greater efficiency it has been difficult to go ahead without efficient resource mobilization. The company has tried its best to become efficient than before.

### NEW INITIATIVES

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. Among the new initiative we have started cash less

transactions in Dimapur branch and also on pilot basis in other branch offices. 100% transaction has been made in Dimapur branch cashless. In rural branch the success in transaction is limited.

### FINANCIAL PERFORMANCE

GDFPL closed a successful year with net profit of Rs. 47.65 lakhs, ensuring a constant improvement in its profitability with promise to the stakeholders - investors, customers and the employees. After considering cumulative profit of Rs. 116.00 lakhs and transfer to Statutory Reserve, GDFPL's profit stands at

comfortable position in comparison to the size of its operation and portfolio. Rs.109.00 lakhs as at March 31, 2018. As a standing testimony of our ever improving operating efficiencies, the Operational Expense Ratio dipped to an all time low of 9.60% in March 2018 from 11.3% in March 2017 while our TAT also has been dipped.

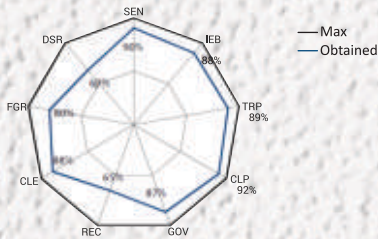
### RESOURCE MOBILIZATION

Resource mobilization and utilization in terms of debt fund has been efficient. But capital fund mobilization was not satisfactory. We could mobilize only INR 47.50 lakhs. An amount of INR 419 lacs has been received from AFC, an amount of INR 300 lacs from Reliance Capital, INR 1800 lacs from NEDFi and INR 75 lacs from Electronica Finance Limited has been sanctioned and received in form of term loan. We also expected a capital infusion

of Rs.200.00 lakhs from NEDFi. Resource mobilization as BC has been started with AROHAN and created a portfolio of Rs.68.85 lakhs as on 31.03.2018. The equity position has been improved from Rs.291.00 lakhs as on 31.03.2017 to Rs.327.31 lakhs as on 31.03.2018. The capital adequacy ratio stand at 15.96% which is adequate as per RBI norms and we exploited the loan funds to the maximum extent.

## CREDIT RATING

### COCA Dimension Scores



The rating agency SMERA has assigned the higher MFI Code of Conduct Assessment (COCA). Rating of 'COCA 3' 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 31st March 2018 and we will do the next rating in the month of June 2018, after the Annual Audit is complete.

## RISK MANAGEMENT



With the support of Deloitte sponsored by IFC the company could develop and implement the Risk Management Framework in pace and also the same could be made use on a regular basis. Risk management has become so important in today's microfinance context that without having a risk management framework it is very difficult. There are lot of challenges in terms of risk mitigation in MFIs and therefore we as an MFI has been fortunate to have the risk management framework in place. All 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. The company has got a Management Committee with the senior management personnel including the Managing Director. We do not have as such a Risk Management



Committee but the Management Committee looks after the risk aspects of the company.

In addition the internal audit and control department keeps on flagging up the risks that may arise in due course of operations. 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 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.

GDFPL has its internal audit and control mechanism in place and well defined. There is a team of internal audit who are internal staff members. However we have a team of external audit team consisting of retired bank managers. There is an audit committee of the board which is headed by an independent director of the board who is a senior retired banker. The department monitor and assesses the internal control mechanism and ensures the same. Audits are carried out conscientiously at the branch offices and the head office by an efficient internal audit team according to a predetermined plan and frequency parameters. 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. Additionally, the internal audit team focuses on the following matters:

- 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

### Internal Audit

#### Branch & Field Audits

GDFPL's strong in-house Audit team, headed by Managers, carry out the branch and field audits according to the pre-defined plan which includes frequency parameters. Each branch is audited at least 3 times in an FY, while the substandard branches are audited 4 times a year. 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. To make the Audit process more effective and accordingly incentivize the branches the Company has introduced the Grading system of the branches. In last quarter audit of the branches among the 17 branches only 8 branches received "A" grade 7 branches received "B+" grade and 2 branches received "B" grade. 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.

### Functional Audits

The Board appointed independent Internal Audit firm which 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



During this year of evolution and growth, the key focus was to take a preventive approach. We have successfully minimized major cash handling risks in co-ordination with cash management team with increased cashless disbursements. ECS repayment processes has also been started and it will substantially reduce the cash handling risk 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 on boarding 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 Risk & Performance GDFPL made significant strides in managing its credit risk resulting in excellent credit performance. The year ended with a robust repayment rate of 99.90%. However post demonetization the PAR% stood at 0.63%, a testimony to our solid credit risk management practices, 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 default risk to <0.04% of the total loans disbursed during this year.

## Operational Risk

High staff turnover and cash handling risk remains a critical influencing factor in the microfinance industry. Managing employee turnover and transition has been a key focus area and we have been successful at containing the attrition at 1.10% this year which is slightly higher than the previous year, i.e. 1.0%. In a bid to minimize cash handling risk, we had initiated the cashless disbursement for customers in all cycles of group lending and it has been made mandatory for all JLG and individual



Group 99, Dimapur Branch on Digital Transaction

lending. We 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

Although we are small in size we have comprehensive quality service efforts from all angles. We have excellent customer connects and retention. We have strengthened customer retention programs and grievance redressal mechanisms, built over the past three 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.

## Information Technology

### MANAGEMENT INFORMATION SYSTEM



A strong IT infrastructure to efficiently run backend 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.

Force Ten Technologies Pvt Ltd, based in Kolkata has developed BIJLI (Business Information Justified & Logically Integrated) software. There are two versions in the software. One is Branch version and second one is Head office version. Every branch is connected by internet, mostly via data card, although we have broad band 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 a very important role 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 is tested by RGVN and continued with a portfolio of more than Rs.500 crores till the time it got transformed into a small finance bank.

### HUMAN RESOURCE

GDFPL has got a strong committed human resource team with minimal turn attrition rate. The HR team strongly abided by the organization's Vision of being

Committed, Reliable, Empathetic, Accountable, Transparent and Efficient. This has always been a challenge in the sector in acquiring human resources

with right skills and aptitude for the industry. 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.

**The recruitment at the Company is a step-by-step process, which involves the following steps :**

- Specifying requirement and advertising
- Attracting applications from employees
- Evaluating employee referrals
- Processing applications on the basis of pre-specified requirements
- Screening out of applications
- Conducting interviews
- Giving feedback
- Offering position and seeking acceptance
- Hiring and conducting induction
- Keeping them in their positions
- Ensuring that they perform to expectation.



**Other highlights :**

- No delay in payments and filing of returns are always on time.
  - All employees are provided with provident fund.
  - Covered with accident insurance.
  - 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.

As on 31st March 2018 the number of employees of GDFPL has stood at 103. Apart from the regular functions of recruitment, training, and promotion, the HR department is involved in developing better HR tools like performance appraisal, three sixty degree feedback, soft skill training, etc. To ensure that the company has people with right skill and quality, there has been lot of emphasis on functional as well as skill development based trainings. The HR department has



Staff development training

got training calendar and conduct trainings round the year by assessing the training needs at each level of organizational hierarchy.

## Corporate Governance Report

The Directors present the Company's Report on Corporate

Governance. GDFPL has put in place a 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.

Human creativity is unlimited. It is the capacity of humans to make things happen which didn't happen before. Creativity provides the key to solving our social and economic problems. Muhammad Yunus

### SUCCESS STORIES FROM THE FIELD

#### RITAMONI BASUMATARY:

Ritumoni Basumatary a very vibrant housewife-turned- entrepreneur is a client of our Dudhnoi branch. She is in her early 40s and lives with her family comprising of her husband and two children. Her husband was the only earning member of the family. He was a truck driver through which he earned 8000/- pm. In 2008 Ritumoni's husband met with a major road accident and badly injured his right leg. Because of that the income source of the family becomes crippled. At that time the whole responsibility of the family comes to Ritumoni's shoulder. Initially she started her business with weaving and tailoring. Then she had heard about Grameen Sahara from the neighbours and availed a loan of Rs 8000 as a 1st cycle loan. She utilised the money for tailoring business. Gradually with her utmost sincerity and dedication in utilizing the money properly and repaying back the loan. And the entrepreneurial skills graduated her to avail loan worth 40,000/- This time she was selected to the UHSA SILAI TRAINING PROGRAM sponsored by Usha Company and associate by Grameen Sahara. It was a great opportunity for her. This enhances her monthly income from 3000/- to 12000/- pm. Even she has been able to employ two workers who are paid @3000 /-pm and extended her business from Dudhnoi to Guwahati. She produces all kinds of women garments like frock, salwar, blouse, Mekhela Sadar



etc. Initially she had sold the end-products in the nearby market in Dudhnoi and Goalpara. At present with three sewing machines she has sponsored two young girls who comes from very poor families and insures that they develop into an educated entrepreneur in the future. She is an inspiration for the community. In 2017 her enterprise activities was telecasted in more than four popular TV Channels as short film. In her words- "I always consider Grameen Sahara next to God since this organization has given me the platform to bring for my inherent talents and all that I have today owes to the organization."If we have enough faith on our own self we can easily fight against the hard times of our life. Ritumoni Basumatary is an example of this. We are proud to have her as a member of GDFPL.

*"We are what our thoughts have made us; so take care about what you think.  
Words are secondary. Thoughts live; they travel far." – Swami Vivekananda*

THINK BIG DREAM BIG

Name:-Mrs. Kamana Rabha: 42yrs.: Dubapara: Goalpara: Assam.



IN GOALPARA District, Dubapara is a small village. The people are mainly engaged in Rubber Planting activities. Mr. Pradip Rabha husband of Mrs. Kamana Rabha collects Raw Rubber and sells it to the wholesale market for onward supply to the manufacturer. Due to poor economic condition investment in business is meager as a result return is very low and not sufficient for running their day to day expenditure of family consisting of five members including three grown up daughters. Mrs. Kamana Rabha is a young energetic woman. She came to know that GDFPL an MFI is extending Loan to needy people through JLG. She immediately became the member of a group and availed 1st cycle loan amounting Rs. 10000/- in the year 2014-. The amount was invested in procuring of Raw Rubber from door to door which enhanced their

income. Mrs. Kamana Rabha see the prospect of earnings she plan for purchase of a machine by which Semi processing of raw rubber can be done and this semi processing rubber can be store for some time and at a lot it is supplied to the manufacturer. Mrs. Kamana Rabha installed the machine and availed of Loan from GDFPL. The earnings of Mrs. Kamana Rabha are increasing. She has engaged 2 nos. of employees for procuring Raw Rubber from the villagers for processing more and more semi Rubber. The family has a plot land measuring 4 bighas and already there are 50 no's of rubber tree and they started plantation. Mrs. Kamana Rabha by dint of hard works and sincerity has earned name and fame in the area. In her successful journey she is grateful to GDFPL for their support. Till date she has availed of 4th cycle loan. By this time she becomes the Leader of the Group. She is the role model among the women folk of the area. Her children are getting good education and have their better housing facilities. According to Mrs. Kamana ----Dreams do not fulfil itself unless you perform.





### 13. SOCIAL PERFORMANCE MANAGEMENT REPORT

#### Fair Practices Code and Client Protection measures :

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 same is posted on the website of the Company. 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. Although the company has not gone through the certification process it has followed the client protection principles campaigned by the Smart Campaign certified. The Company is committed to meet adequate standards of care in implementing all of the Client Protection Principles through their operations, product offerings and treatment of clients. The Board Members and senior management personnel affirmed their compliance with the Fair Practice Code.

#### The details are given below :

##### CLIENT PROTECTION PRINCIPLES :

The Company has adopted the Code of Conduct by Sa-Dhan, MFIN and Fair Practice Code issued by Reserve Bank of India.

##### Preventing over-indebtedness :

This is one of the most important client protection principles for the MFIs as there are several issues related to this particular aspect. To prevent over indebtedness, the Company 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

**Transparency :** Clear and effective communication is done by all the field executives and senior field officers with the information relating to the pricing of loans, duration, effective cost of loans etc as part of our lending process. Loan application contains terms and

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.

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 pass books that are issued individually to all the borrowers.



### Grievance and feedback system :



The Company has a sound grievance redressal mechanism for the clients' in place with four-window system for receiving any grievance/ complaint/ suggestion/ feedback :

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 pass book.
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.

Apart from the abovementioned ways the clients can approach with email and by post. The email id and postal address is made available to the clients pass book. Strict privacy is maintained while dealing with various complaints. A dedicated committee addresses the complaints received through various sources. These apart, annually a client survey is done to get direct feedback from clients.

### **Higher Borrower Retention**

Borrower retention has always been our priority. There is a high competition in the microfinance market and retention of borrowers has been a challenge for the company. We as a small company have always inculcate the good Staff behaviour, dealings with client, transparency, good relationship building etc have been always been practiced. Since in terms of



size and many other parameters, at this point, we are far behind other large MFIs, 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 80%. During the previous two financial years we had retention rates of 74% and 83% respectively Since retention is a challenge we have also started working with other MFIs in BC arrangement.

*"If you can, help others; if you cannot do that, at least do not harm them."*  
– Dalai Lama

### Responsibility to Staff

#### Staff Attrition

Staff attrition is relatively 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 3%.

#### Facilities to Staff

*Various benefits and facilities are provided to staff of GDF. Here are some highlights:*

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 training towards capacity building to enable staff to have professional growth.

Topics of training related to are Financial Literacy, Leadership, branch Operations Management, Health issues, Sanitation, Personal and Home Hygiene, Disease Prevention, Women's safety etc.



### GDFPL: Competitive Strengths and Strategies

#### Market Position

GDFPL is classified as a small MFI. Among the 7 NBFC-MFIs in the region, GDFPL stands at 3rd position when classified by gross loan portfolio. We are placed in a good location not far from Guwahati and also the operation to Meghalaya and other states are convenient. Since penetration of microfinance services in other states in the NE is thin the company has plans to reach all seven states in next two years. Already it has reached three states.

#### Higher Rural Penetration

GDFPL has a high rural focus. We want to remain focus on rural areas and our vision is to enable the poor and low income households, mainly those who are in rural areas. Accordingly, 78% of the branches are located in rural areas and more than 75% of the GDFPL customers are from rural areas. As part of its growth, the company has opened branches which are mostly in rural areas.

"You will never win if you never begin" - Helen Rowland.

### Customer Interaction

Regular customer interaction through bi-weekly meetings has created a very effective rapport with the customer. 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. Interaction action is also kept live through other development support initiatives either directly by the company or through the NGO wing. 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.



Group Training

### Product Design - Customer Centric & Sustainable

GDFPL has designed its products and services to cater all the needs of customers at various stages of life cycle. Although we have not been able to meet all the needs from birth to death the company has always kept in its mind to meet in future all such needs. Also customers have been provided with the liberty to avail loans at any time of the year,

if they are meeting the prescribed regulatory requirements. GDFPL envisions to be a scalable and financially viable organisation through high customer satisfaction, lower operating cost, lower credit risk and being a preferred MFI for customers with lower customer attrition.

### Employee-Friendly Organisation



We are one of the first organisations to implement 5-day field work week. The staff attrition is below 5%, which is less than the industry average. Although the company is small in size the remuneration level is at par with market given the educational qualifications and experience and employee welfare schemes have been implemented which

have resulted in low attrition. 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 organizations still continue with 3 months maternity leave norms.

### Efficient & Stable Management Team

The management team of GDFPL has experienced and well qualified people. The team is very interactive, quick and innovative in decision making process. Since 2010-11, since microfinance was part of Grameen Sahara NGO, there is no change in the management team, which

has helped the organization's stability in terms of growth and quick decision making and effective implementation of the decisions. The management is very open and close to the field level staff and easily approachable that has provided higher satisfaction to the employees.



Punjira Khatun ( Group 377, Dudhnai-Krishnai) at her business unit

### 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, 2018		31ST MARCH, 2017	
	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding
With Key Management Personnel				
I. Sarat Chandra Das				
Salary & Remuneration	761,808		621,634	
II Dandi Ram Kalita				
Salary & Remuneration	420,000		105,000	
Total	1,181,808		726,634	

## Non Financial Services of GDFPL

Offering financial services to those people who are deprived from the banking services sector is the main purpose of existence of Microfinance Institutions. The targeted people are either from very remote areas untouched by the Banks or are from poor families compelled to lag behind due to minimum level of education and economic condition. GDFPL, also being a Micro-Finance Company, has started its Microfinance operation from the year 2015. GDFPL was only concentrating on the growth of the income level of the beneficiaries, the education level of the people were still left uncovered. Therefore, apart from providing credit services to those people, GDFPL has started its process in strengthening the area for providing financial awareness, health awareness, enterprise development services and market

linkages to those underprivileged people. During the reporting period GDFPL have conducted 7 such programs in various areas of its operation. Experts from Allahabad Bank, LIC and specialists Doctors from GNRC were invited to effectively execute the programs. The list of programs, date of conduct, area and no. of participants attended in the program is as shown below:



Free Health Camp at Loharghat

GDFPL is increasingly getting involved in other development activities with its customers. The company has continuously been organizing campaigns on financial literacy, training on financial literacy, health camps including eye camps, EDP training, skill training etc. 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.

## Focus on rural population :

Having been transformed from NGO operation, GDFPL's focus has always been on the rural population. Over 70% of people in the region live in villages and as a development finance institution, GDFPL has been focusing on rural population. A detailed breakdown has been given below. Data for both 2017 and 2018 show that the focus of the company has remained intact.

	31/03/2017		31/03/2018	
	No of clients	Portfolio OS	No of clients	Portfolio OS
Rural	13,817	186,278,808	14,335	220,216,489
Semi urban	961	14,376,244	1,219	24,458,598
Urban	3,114	44,055,546	3,648	59,111,038
Total	17,892	244,710,598	19,202	303,786,125

## 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 at differential rates of interest and 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 cases is 24%.

## Loan Scheme Outreach

Interest Rate	Loan OS as on 31/03/2017 (In Lakhs)	Loan OS as on 31/03/2018 (In Lakhs)
JLG 4 % Loan	42.182	8.10125
JLG 12% Loan	7.053	3.72935
JLG 20% Loan	230.578	293.1834
JLG 24% Loan	2.708	1627.48853
JLG 25% Loan	2164.585	1105.35872
Total	2447.10598	3037.8613

"Learn from yesterday, live for today, hope for tomorrow. The important thing is not to stop questioning." -Albert Einstein

## 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.

### JLG LOAN PRODUCT DETAILS

Purpose	Income Generating Activities
Loan Amount	INR 10000-60000/- in first cycle and maximum INR 5000 - INR 10000 increment in next cycle.
Rate of Interest	Maximum 24% reducing rate per annum
Loan Processing Fee	1% of gross loan amount
Security	NIL
Membership Fee	NIL
Repayment Period	1 to 2 years (When loan amount > Rs 30,000/- Repayment period is 2 years.)

### INDIVIDUAL LOAN PRODUCT DETAILS

Purpose	Income Generation
Loan Amount	INR 15000-60000/- in first cycle and maximum INR 5000 – INR 10000 increment in next cycle.
Rate of Interest	Maximum 25% reducing rate per annum
Loan Processing Fee	1% of gross loan amount
Security	NIL
Membership Fee	NIL
Repayment Period	1 to 2 years (When loan amount > Rs 30,000/- Repayment period is 2 years.)

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.

“Make a customer, not sale” Katherine Barchetti.



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



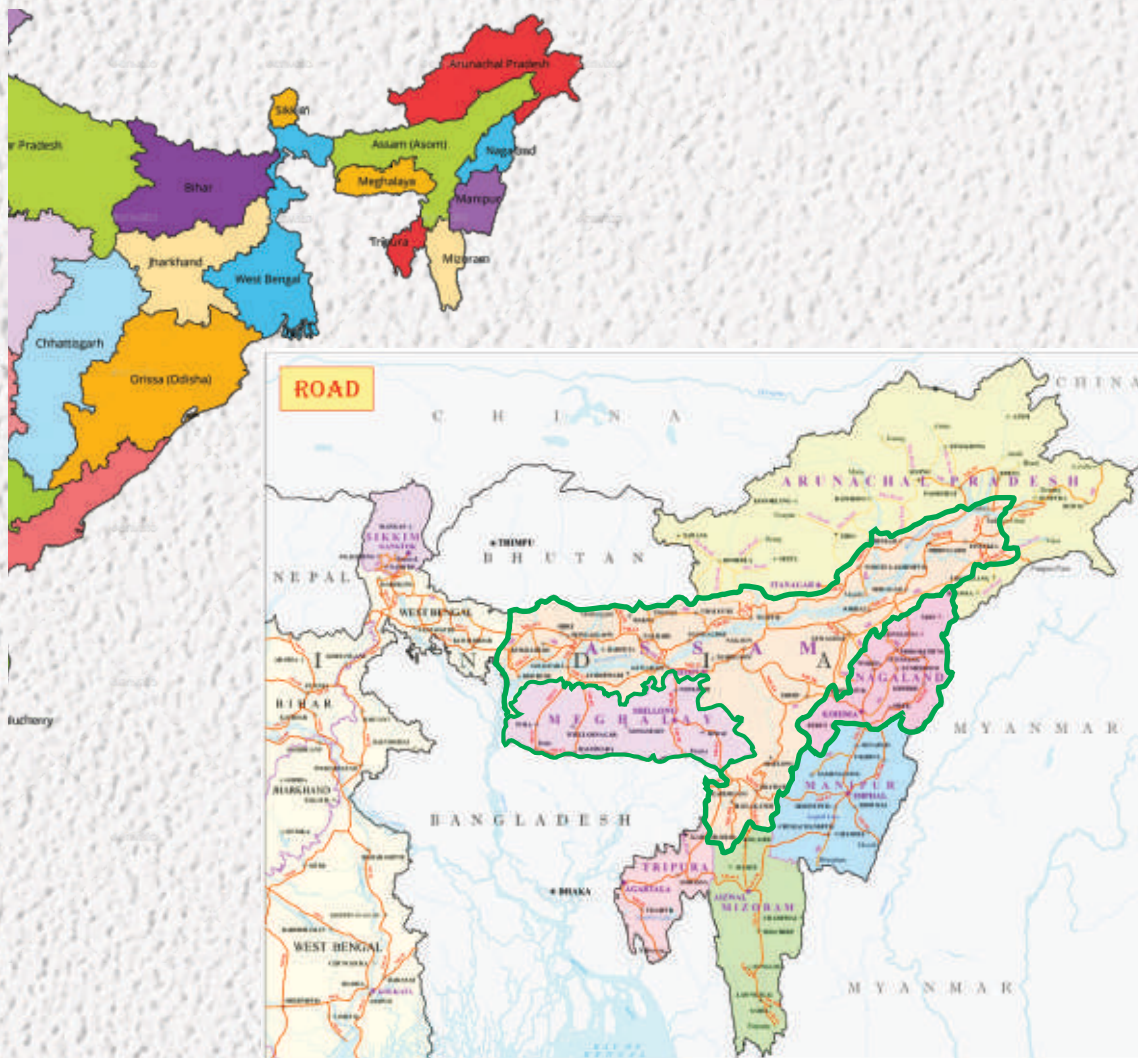
## MICRO INSURANCE

GDFPL has tie up with Bajaj Allianz Life Insurance Co Ltd and LIC providing insurance and social security supports. The insurance product is a term life insurance. It does not cover any loss of asset and accidents. In case of death of the beneficiary or her spouse the sum assured amount is received. This insurance product helps giving relief from loan burden in case of death of the beneficiary or the spouse. In occurrence of such event the remaining outstanding of the loan is adjusted against the settled sum assured and if there is any remaining amount, it is given to the nominee of the deceased. We have also LIC group insurance policy for the member and to her spouse up to the amount of loan availed. In the event of death of client the entire amount of loan is settled to the nominee.

## Operational Performance

SI	INDICATOR	Mar-18	Mar-17	Mar-16
<b>I</b>	▶ Number of States	3	3	3
	▶ Number of Branches	19	17	17
	▶ Number of Districts	9	7	7
	▶ Number of Block/ Municipality Covered		70	63
	▶ Number of Village/Ward Covered	757	230	180
	▶ Number of Field Staff	63	50	54
<b>II</b>	▶ Number of Centres	1874	628	827
	▶ Number of Groups	1874	1775	1883
	▶ Number of Borrowers	19202	17890	14983
<b>III</b>	▶ Cumulative Loan Disbursed (in Rs. lakh) during the FY	3723.98	2795.8	2100.91
	▶ Loan Portfolio (in Rs. lakh)	3037.86	2447.1	1749.25
<b>IV</b>	▶ On Time Repayment Rate	99.68%	99.65%	99.00%
	▶ Portfolio At risk> 30 days	0.62%	0.63%	0.33%
	▶ Portfolio At risk> 60 days	0.58%	0.47%	0.22%
	▶ Borrower Per Credit Officer	305	358	277
	▶ Outstanding per Credit Officer (in Rs. lakh)	48.22	48.94	32.39
	▶ Outstanding per Branch Office (in Rs. lakh)	159.89	143.94	102.89
<b>V</b>	▶ Operational Self Sufficiency	110	110	109
	▶ Financial Self Sufficiency	110	109	108
	▶ Yield on Portfolio [taking interest on loan and admin. charge]	22.75	25.43	22.25
	<b>Financial Ratios</b>	<b>Mar-18</b>	<b>Mar-17</b>	<b>Mar-16</b>
	Net profit (in Rs. lakh)	47.81	34.09	24.37
Capital Adequacy Ratio	15.96	15.95	17.51	
Net Owned Fund (in Rs. lakh)	434	394.68	306.86	
TOL/TNW	7.1	7.51	6.39	
Debt Equity Ratio	6.93	7.22	6.29	
Operational Expenses Ratio [annualized]	9.9	11.26	9.57	
Financial cost to total cost	59.39	56.2	53.62	
Operational cost to total cost	40.76	43.8	46.37	
Return on Asset	1.28	1.23	1.43	
Return on Equity	13.84	10.16	9.2	

### 11. GEOGRAPHICAL OUTREACH MAP



#### Outreach and branch network

During the financial year 2017-18, GDF registered 24% growth in loan portfolio and 7.2% growth in active borrowers, growth in number of branches was three as 3 new branches were opened at Makum(Tinsukia District); Bongaigaon (Bongaigaon District) and Pathsala (Barpeta District) and total employees' growth was also only 3%. Improving operations along with staff productivity has been an important area of focus for the year which has resulted in growth. We have also ensured that increase in number of staff does not have an adverse impact on our portfolio quality.



Sabita Das from Azara (Group No. 86)



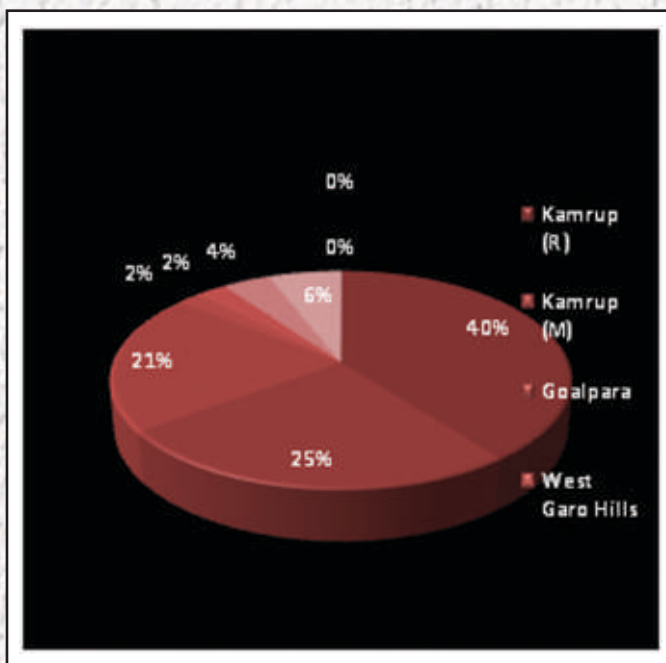
Roina Khanal, Riblong (Group No. 23)

## Outreach

State wise outreach (Rupees in lakhs)

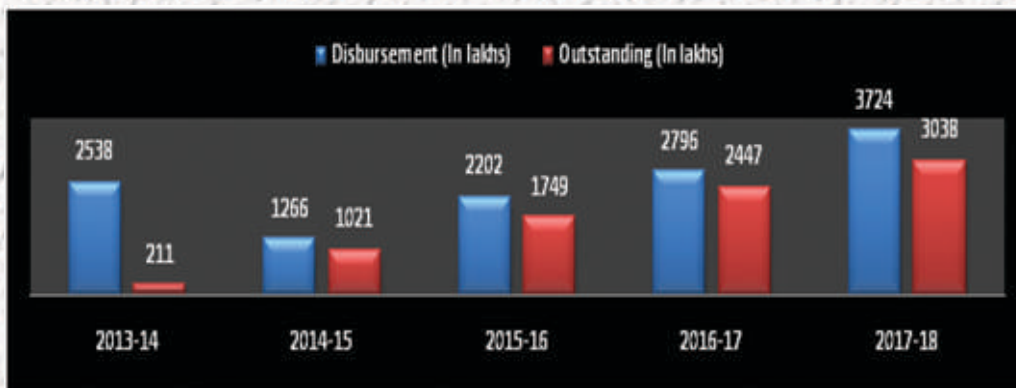
State	2016-17	2017-18
Assam	2205	2709
Meghalaya	150	204
Nagaland	92	125

District wise client distribution	
District	Client
Kamrup (R)	7,592
Kamrup (M)	4,867
Goalpara	3,998
West Garo Hills	374
North Garo Hills	473
East Khashi Hills	750
Dimapur	1,125
Barpeta	5
Bongaigaon	18



## Growth Analysis of Loan Outstanding :

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Disbursement (In lakhs)	2538.3	1266.08	2201.65	2795.8	3723.98
Outstanding (In lakhs)	210.584	1021.287	1749.252	2447.106	3037.86

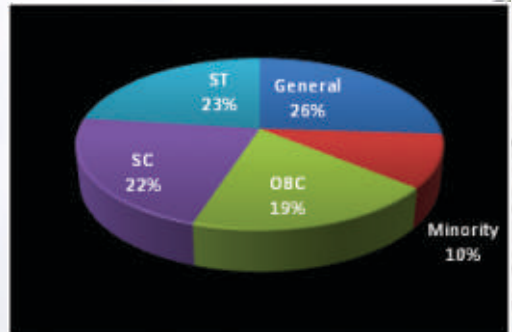


Ms Jeuti Mali, Group No. 25 from Matiya

*"Your time is limited, so don't waste it living someone else's life."  
-Steve Jobs*

## Community wise number of Active Clients

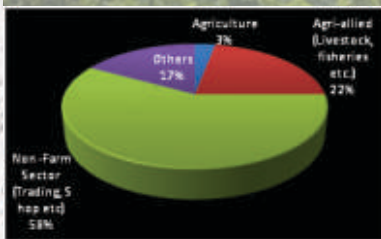
S.LN	Community	No of Clients
1	General	4,993
2	Minority	1920
3	OBC	3,648
4	SC	4,224
5	ST	4,416



Ms Lalita kalita, Group No. 104, Dhupdhara at her Medicine Shop



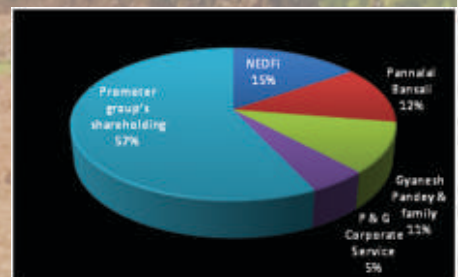
## Activity wise Portfolio Outstanding



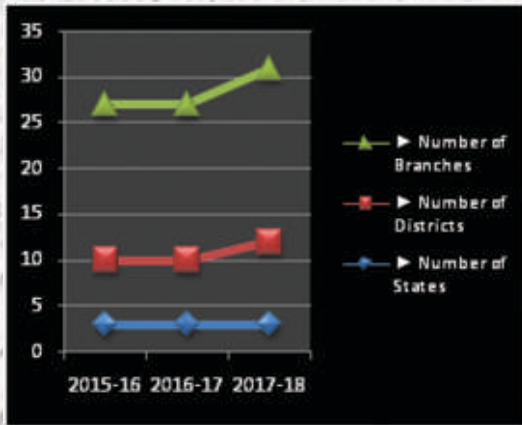
Sector Wise	Loan OS Principal Amount (In Lakhs)
Agriculture	91.14
Agri-allied (Livestock, fisheries etc.)	668.33
Non -Farm Sector (Trading, Shop etc)	1761.96
Others	516.44

## Shareholding Pattern of GDF

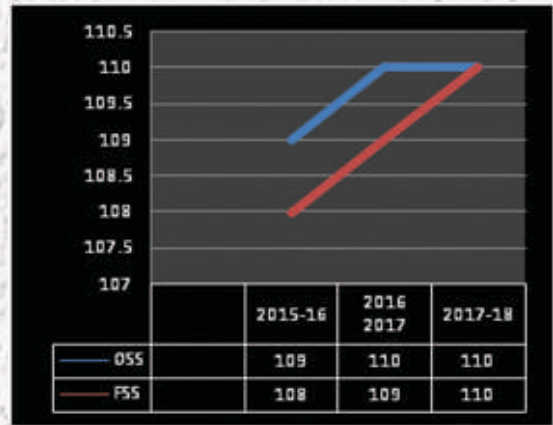
Sl. No	Share holders name	% of shareholding
1	NEDFi	15.28
2	Pannalal Bansali	12.31
3	Gyanesh Pandey & family	10.54
4	P & G Corporate Service	4.95
5	Promoter group's shareholding	56.92



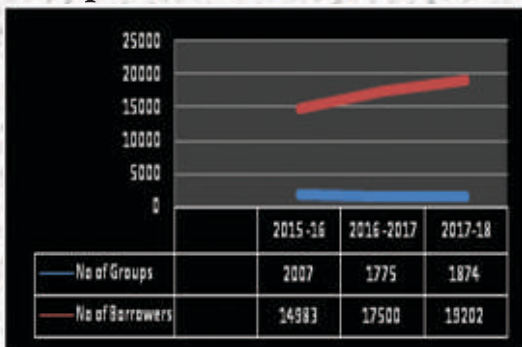
## State, District & Branch Outreach



## OSS & FSS



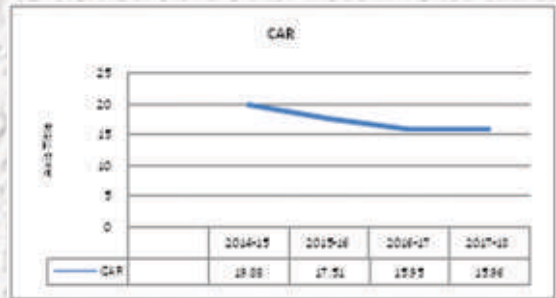
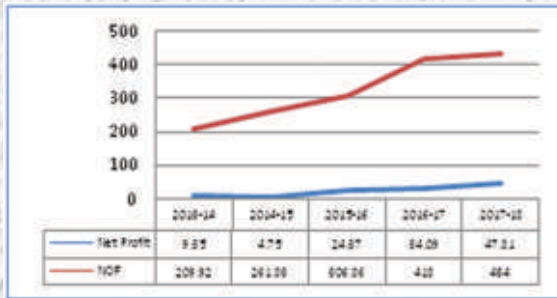
## Groups & Borrowers



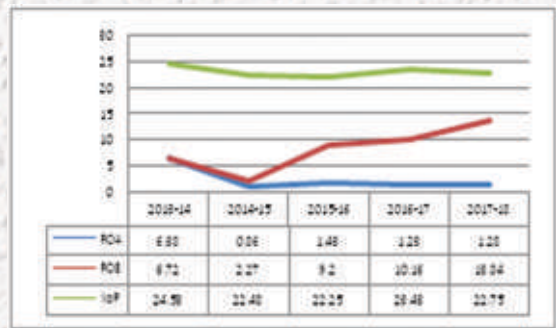
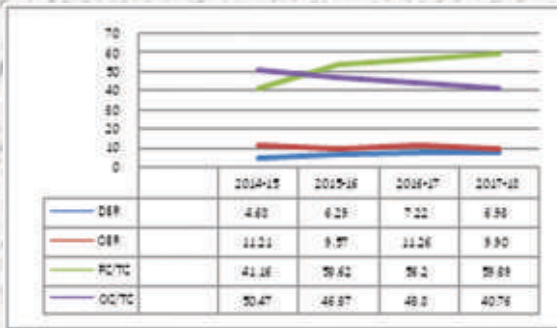
Ms Golapi Bala Rabha, Group No. 117, Muduki at her Poultry farm



## Net profit, NOF & CAR



## DER, OER, FC/TC, OC/TC, ROA, ROE, and YOP



"We must accept finite disappointment, but never lose infinite hope."  
-Martin Luther King, Jr.

## Plan for next financial year

Grameen Development and Finance Private Limited

Particulars	FY 18-19
<b>CAPITAL:</b>	
1.Paid-up equity share capital	5,51,00,000
2.Preferential share capital	5,00,00,000
3.Capital reserves / Reserve and surplus	2,16,39,000
4.Other reserves (Loan loss reserves & long term)	9040000
5.Total Capital (1+2+3+4+5+6+7)	136779000
6. Accumulated losses (if any) as per Balance Sheet	
7. NET CAPITAL (8-9)	
8.Borrowings	799817000
9.Other liabilities(current liabilities& provisions)	13988000
10.TOTAL LIABILITY (10+11+12)	950584000
1.Fixed Assets	9093000
2.Loans and advances	804000000
3.Long term investments (FDs pledged /lien)	128980000
4.Current assets(cash & cash equivalents; short term deposits)	20,00,000
5.Other assets (non-current & others )	6511000
6.TOTAL ASSETS (1+2+3+4+5+6)	950584000



Ms Anitha Sangma, Group No. 59, Mendipathar

## PROFIT & LOSS ACCOUNT

Particulars	FY 18-19
1.Income from operation	160800000
2.Income from others (grants, donations & others)	5819000
3.GROSS INCOME (1+2)	166619000
4. Total Expenditure & Appropriations	156654234
5. SURPLUS/ (DEFECIT) (3-4)	9964766

## OUTREACH

Headings	As on 31.03.19
No. of states covered	4
No. of Branch Offices	25
Total no. of staffs	110
No. of field Staff	80
No. of Borrowers	53676

## PERFORMANCE ANALYSIS :

### PORTFOLIO QUALITY

Headings	As on 31.03.19
Repayment %	99.00%
Portfolio at Risk (>30 days) (%)	0.50%

## PRODUCTIVITY

Headings	As on 31.03.19
No. of borrowers Per field Staff	671
Avg. Portfolio Per field Staff (Rs. Lakh)	100.50
Avg. Portfolio Per Branch office (Rs. Lakh)	321.60

## RATIO ANALYSIS

Headings	As on 31.03.19
Capital Adequacy Ratio (CAR)*	16.16%
Leverage Ratio (Debt/Capital)**	5.85:1
Operating Self Sufficiency Ratio (%)	106%
Profitability (in Rs. Lakhs) (PAT)	99.65

Difficulties in your life do not come to destroy you, but to help you realize your hidden potential and power, let difficulties know that you too are difficult. ~ Dr. A.P.J. Abdul Kalam





“When everything seems to be going against you, remember that the airplane takes off against the wind, not with it”. Henry Ford

## AUDITOR'S REPORT :

Grameen Development and Finance Private Limited

**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

### Independent Auditor's Report

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

#### Report on the Financial Statements

We have audited the accompanying financial statements of Grameen Development & Finance Pvt. Ltd. ('the Company'), which comprise the Balance Sheet as at 31 March 2018, 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.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.



## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018 and its profit and its cash flows for the year ended on that date.



### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;

(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 and with the returns received from the branches not visited by us;

(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 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 has been no delay in transferring amounts, 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:Guwahati  
Date:27/06/2018



### 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 2018, 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



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 2018 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 during the year were applied for the purpose for which those were taken.

(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 give 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.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



(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: Guwahati  
Date: 27/06/2018





**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, 2018 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



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, 2018, 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:27/08/2018



GRAMEEN DEVELOPMENT & FINANCE PRIVATE LIMITED (Formerly Known as SHARNARTHI LEASING FINANCE PVT. LTD.)			
{ }			
BALANCE SHEET AS AT	Note	31ST MARCH, 2018	31ST MARCH, 2017
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	3	37,731,480	35,100,000
Reserves & Surplus	4	11,674,234	5,774,772
		<b>49,405,714</b>	<b>40,874,772</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term Borrowings	5	141,473,074	132,626,231
Long term Provisions	6	1,580,379	736,316
Deferred Tax Liability (Net)		-	-
		<b>143,053,453</b>	<b>133,362,547</b>
<b>CURRENT LIABILITIES</b>			
Short term Borrowings	5A	-	-
Trade Payables	7	717,852	72,218
Other current liabilities	8	201,374,377	163,170,754
Short term provisions	6	3,577,352	4,659,349
		<b>205,669,581</b>	<b>167,902,321</b>
<b>TOTAL</b>		<b>398,128,748</b>	<b>342,139,640</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	9		
- Land		394,100	394,100
-Tangible Assets		3,819,639	4,019,812
-Intangible Assets		339,039	671,652
Deferred Tax Assets		704,789	734,837
Other Non Current Assets	10	86,626,487	71,882,792
		<b>91,884,054</b>	<b>77,703,193</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	11	72,186,330	77,853,673
Short term loans and advances	12	221,175,809	175,008,463
Other current assets	13	12,882,555	11,574,311
		<b>306,244,694</b>	<b>264,436,447</b>
<b>TOTAL</b>		<b>398,128,748</b>	<b>342,139,640</b>
Significant Accounting Policies and Notes		1 & 2	-
The accompanying notes are forming an integral part of these Financial Statements			
<b>For D. Patwary &amp; Co.</b> Chartered Accountants Firm Registration No. 324523E		<b>For and on behalf of the Board of Directors</b>	
<b>Deepak Patwary</b> (Partner) M. No.:060467	<b>Managing Director</b> DIN: 02849186	<b>Director</b> DIN: 06902163	
Date : 27/06/2018 Place: Guwahati			

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

		₹	₹
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED		31ST MARCH, 2018	31ST MARCH, 2017
	Note		
Revenue from Operations	14	69,123,650	52,006,159
Other Income	15	4,791,593	5,722,031
<b>Total Revenue</b>		<b>73,915,243</b>	<b>57,728,190</b>
<b>EXPENSES</b>			
Employee Benefits Expenses	16	18,105,215	13,791,949
Depreciation		982,865	934,552
Finance Cost	17	41,060,934	29,540,537
Other Expenses	18	7,024,215	7,056,382
Provisions and Write-offs	19	(108,401)	1,241,072
<b>Total Expenses</b>		<b>67,064,828</b>	<b>52,564,492</b>
<b>Profit before Proir Period &amp; exceptional Items</b>		<b>6,850,415</b>	<b>5,163,698</b>
Prior Period Expenses		-	-
		<b>6,850,415</b>	<b>5,163,698</b>
<b>Tax Expenses:</b>			
(1) Current Tax		1,980,000	1,969,130
(2) Deferred Tax (Assets)/Liabilities		30,048	(207,191)
(3) Tax of Earlier Years		59,425	(7,609)
<b>Total Tax Expenses</b>		<b>2,069,473</b>	<b>1,754,330</b>
<b>Profit for the Year</b>		<b>4,780,942</b>	<b>3,409,369</b>
<b>Earning Per Equity Share</b>			
(1) Basic		1.63	1.09
(2) Diluted		1.28	1.09

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**

**For and on behalf of the Board of Directors**

**Deepak Patwary**  
**(Partner)**  
**M. No.060467**

**Managing Director**  
**DIN: 02849186**

**Director**  
**DIN: 06902163**

Date : 27/06/2018  
Place: Guwahati



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

### CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	2017-18	2016-17
	RUPEES (₹)	RUPEES (₹)
<b>Cash Flow From Operating Activities :</b>		
<b>Profit Before Tax and extraordinary items</b>	<b>6,850,415</b>	<b>5,163,698</b>
<b>Adjustments for :</b>		
Loan Loss Provisions & write off	(108,401)	1,233,463
Depreciation	982,865	934,552
Provision for Gratuity	-	-
<b>Operating Profit Before Working Capital Changes</b>	<b>7,724,879</b>	<b>7,331,713</b>
(Increase)/Decrease in Micro Finance Loans	(59,346,535)	(70,065,624)
(Increase)/Decrease in Other Current Assets	(1,877,829)	(9,008,044)
(Increase)/Decrease in Non Current Assets	(989,115)	-
Increase/(Decrease) in Current Liabilities	(443,894)	234,093
Increase/(Decrease) in Trade Paybles	645,634	(218,962)
Payment of Advance Tax	(2,297,759)	(1,845,897)
<b>Net Cash Provided By/(Used In) Operating Activities (A)</b>	<b>(56,584,619)</b>	<b>(73,572,721)</b>
<b>Cash Flow From Investing Activities</b>		
Purchases of Fixed Assets	450,079	1,625,421
<b>Net Cash Provided By/(Used In) Investing Activities (B)</b>	<b>450,079</b>	<b>1,625,421</b>
<b>Cash Flow From Financing Activities :</b>		
Increase in Borrowings	47,366,024	95,665,526
Proceeds From Issuance of Share Capital	2,631,480	6,000,000
Dividend paid	251,331	-
Share Premium	1,118,520	-
<b>Net Cash Provided By/(Used In) Financing Activities (C)</b>	<b>51,367,355</b>	<b>101,665,526</b>
<b>Net Increase In Cash And Cash Equivalents (A+B+C)</b>	<b>(5,667,343)</b>	<b>26,467,384</b>
<b>Cash And Cash Equivalents At The Begining of The Year</b>	<b>77,853,673</b>	<b>51,386,290</b>
<b>Cash And Cash Equivalents At The End of The Year</b>	<b>72,186,330</b>	<b>77,853,673</b>
<b>Cash And Cash Equivalents Comprises of :</b>		
1. Cash In Hand	34,517	103,113
2. Balances With Scheduled Banks	72,151,813	77,750,560
	<b>72,186,330</b>	<b>77,853,673</b>

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 : 27/06/2018



**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.



Audited Financial Statements as on March 31, 2018

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

## 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 inhouse by the company without using the services of an Actuary. Total Liability Estimated (i.e: P. V. of Past Service Benefit) is Rs. 670434/- and total contributed to LIC for the year is Rs. 222996/-

## 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 2017-18	Estimated Provision adopted by the Company for the Year 2016-17
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



Audited Financial Statements as on March 31, 2018

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

**2.12 Loan write-off policy**

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

**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, it's outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**2.15 Cash and Cash Equivalents**

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

**2.16 Contingent Liability and Contingent Asset**

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

**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.



Audited Financial Statements as on March 31, 2018



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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018:**

Note-3: SHARE CAPITAL	₹	
	31ST MARCH, 2018	31ST MARCH, 2017
<b>AUTHORISED</b>		
70,00,000 (60,00,000) Equity shares of ₹ 10/- each	70,000,000	60,000,000
70,00,000 (10,00,000) Preference shares of Rs. 10/- each	70,000,000	10,000,000
	<b>140,000,000</b>	<b>70,000,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
32,73,148 (P.Y. 29,10,000) paid up Equity shares of ₹ 10/- each	32,731,480	29,100,000
5,00,000 (P. Y. 5,00,000) paid up - 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	5,000,000	6,000,000
	<b>37,731,480</b>	<b>35,100,000</b>

**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 accordance to their shareholding.

At the Meeting of the Board of Directors held on 27.06.2018, the Board recommended the payment of the final dividend of 9% on 5,00,000 OCPS allotted on 3rd December, 2016, for FY 2017-18, on a pro - rata basis up to March 31, 2018, 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. During the year under reference the company have issued 3,75,000, 9% OCPS of face value of Rs. 10/- on 18.08.2017 to 4 individuals. All the preference share holders including the the shares issued in the previous years except SIDBI as mentioned above have opted to convert its preference shares into equity on 17.03.2018 at a premium of Rs. 3.08/- per share.

At the Meeting of the Board of Directors held on 27/06/2018, the Board recommended the payment of the final dividend of 15% & 9 % on 1,00,000 Pref Shares & 3,75,000 Pref Shares respectively aggregating 4,75,000 Pref Shares allotted on various dates, for FY 2017-18, on a pro - rata basis up to March 31, 2018, 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.4,08,624 (including dividend distribution tax of Rs. 69,686).

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

Name of the Shareholder	As on 31/03/2018		As on 31/03/2017	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Gautam Das Jointly with Prabin Chandra Das	318,000	9.72%	318,000	10.93%
Gyanesh Pandey	287,678	8.79%	173,000	5.95%
Panlal Bansal	402,905	12.31%	250,000	8.59%
P & G Corporate Services Pvt. Ltd.	162,000	4.95%	162,000	5.57%
North Eastern Development Finance Corporation Ltd.	500,000	15.28%	500,000	17.18%

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

Particulars	31ST MARCH, 2018	31ST MARCH, 2017
<b>EQUITY SHARE</b>		
Number of Shares at the beginning	2,910,000	2,910,000
Add: Issue of Equity Shares during the Year	-	-
Add: Preference Shares Converted to Equity Shares during the Year	363,148	-
Number of shares at the end	3,273,148	2,910,000
<b>PREFERENCE SHARE</b>		
Number of Shares at the beginning	600,000	-
Add: Issue of Preference Shares during the Year	375,000	600,000
Less: Converted to Equity Shares during the Year at a premium of Rs 3.08/- per sh	475,000	-
Number of shares at the end	500,000	600,000



Audited Financial Statements as on March 31, 2018

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

Particulars	₹	
	31ST MARCH 2018	31ST MARCH 2017
<b>RESERVES &amp; SURPLUS</b>		
<b>A. Securities Premium</b>		
Opening Balance	-	-
Add: Add During the year	1,118,520	-
	<b>1,118,520</b>	-
<b>B. Statutory Reserve</b>		
Opening Balance	1,336,933	655,059
Add: Transfer from Surplus	956,188	681,874
	<b>2,293,121</b>	<b>1,336,933</b>
According to Section 45-IC of the Reserve Bank of India Act, 1934 every NBFC shall create a reserve fund and transfer therein a sum not less than 20% of the net profit of each year as disclosed in the Profit and Loss account.		
<b>C. General Reserve</b>		
Opening Balance	450,482	450,482
Add: Transfer from Surplus	-	-
	<b>450,482</b>	<b>450,482</b>
<b>D. Surplus in Profit and Loss Account.</b>		
Opening Balance	3,987,357	1,511,193
Add: Profit for the Year	4,780,942	3,409,369
<b>Amount available for appropriation</b>	<b>8,768,299</b>	<b>4,920,562</b>
Appropriation :		
Proposed Dividend on Preference Shares	-	212,500
Dividend Distribution Tax on Proposed Dividend	-	38,831
Transfer to Statutory Reserve	956,188	681,874
Surplus - Closing Balance	<b>7,812,111</b>	<b>3,987,357</b>
<b>TOTAL (A+B+C)</b>	<b>11,674,234</b>	<b>5,774,772</b>

Particulars	Long Term		Short Term	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	<b>Provisions</b>			
<b>Provision for Portfolio Loan Assets:</b>				
Contingent Provision against Standrd Assets	-	-	1,474,356	2,697,828
Non Performing Loans	1,580,379	736,316	-	-
<b>Total</b>	<b>1,580,379</b>	<b>736,316</b>	<b>1,474,356</b>	<b>2,697,828</b>
<b>Others</b>				
Provision for Grauity	-	-	122,996	-
Provision for Taxation	-	-	1,980,000	1,961,521
<b>Total</b>	<b>1,580,379</b>	<b>736,316</b>	<b>3,577,352</b>	<b>4,659,349</b>

Particulars	31ST MARCH,	
	2018	2017
	₹	₹
Other than acceptances	717,852	72,218
<b>Total</b>	<b>717,852</b>	<b>72,218</b>

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,	
	2018	2017
	₹	₹
a) Current maturities of long term debt (Refer note-5)	201,054,761	162,535,580
b) Interest accrued but not due on borrowings	219,265	332,129
c) Statutory Liabilities (Contributions to PF, Professional Taxes and TDS)	40,534	51,715
d) Paybles to Others	59,817	251,330
	<b>201,374,377</b>	<b>163,170,754</b>

B.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.



Audited Financial Statements as on March 31, 2018

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

**Note-9: FIXED ASSETS:**

Tangible:					
Cost or Valuation	Equipments	Furniture & Fixtures	Motor Vehicles	Computers	Figures in ₹ Total
As at 1st April 2016	4,375	3,326,152	-	655,541	3,986,068
Additions	12,500	353,282	457,656	119,043	942,481
Disposals	-	-	-	-	-
As at 31st March 2017	16,875	3,679,434	457,656	774,584	4,928,549
Additions For the Period	192,589	150,256	-	107,234	450,079
Disposals	-	-	-	-	-
<b>As at 31st March 2018</b>	<b>209,464</b>	<b>3,829,690</b>	<b>457,656</b>	<b>881,818</b>	<b>5,378,628</b>
<b>Depreciation</b>					
As at 31st March 2017	3,737	495,583	57,176	352,241	908,737
Charge For the Year	26,898	353,081	72,500	197,773	650,252
Disposals	-	-	-	-	-
<b>As at 31st March 2018</b>	<b>30,635</b>	<b>848,664</b>	<b>129,676</b>	<b>550,014</b>	<b>1,558,989</b>
<b>Net Block as on 31st March 2018</b>	<b>178,829</b>	<b>2,981,026</b>	<b>327,980</b>	<b>331,804</b>	<b>3,819,639</b>
<b>Net Block as on 31st March 2017</b>	<b>13,138</b>	<b>3,183,851</b>	<b>400,480</b>	<b>422,343</b>	<b>4,019,812</b>

Intangible (Software):	₹	₹
Cost or Valuation	31ST MARCH, 2018	31ST MARCH, 2017
WDV as at 1st April	671,652	695,429
Additions	-	288,840
Amortisation for the Year	332,613	312,617
As at 31st March	<b>339,039</b>	<b>671,652</b>

**Note-10: Non Current Assets**

Particulars	31ST MARCH, 2018 ₹	31ST MARCH, 2017 ₹
d) Deposit with EFL	750,000	-
b) Other Security Deposit	16,110	16,110
e) Long Term Loans & Advances		
Microfinance Loan & NSDFC	85,269,825	71,515,245
f) Staff Loan	590,552	351,437
<b>Total</b>	<b>86,626,487</b>	<b>71,882,792</b>

\*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, 2018 ₹	31ST MARCH, 2017 ₹
(a) Balances with banks in Current account	3,721,813	2,510,560
(b) Fixed Deposit	68,430,000	75,240,000
(c) Cash on hand	34,517	103,113
<b>Total</b>	<b>72,186,330</b>	<b>77,853,673</b>



Audited Financial Statements as on March 31, 2018

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

<b>Note-12: Short Term Loans and Advances:</b>		
Particulars	31ST MARCH, 2018	31ST MARCH, 2017
	₹	₹
<b>Micro Finance Loans</b>		
Opening Balance	239,787,072	168,215,275
Add: Loan Disbursed	371,996,000	269,784,000
Sub-Total	611,783,072	437,999,275
Less: Realised	308,908,999	196,212,203
Less: Bad Debts	271,008	-
	<b>302,603,065</b>	<b>239,787,072</b>
Less: Loan term Loan & advances	85,269,825	70,668,909
Microfinance Loan	<b>217,333,240</b>	<b>169,118,163</b>
<b>NSFDC Micro Finance Loans</b>		
Opening Balance	705,329	-
Add: Loan Disbursed	402,000	1,525,000
Sub-Total	1,107,329	1,525,000
Less: Realised	734,394	819,671
Less: Bad Debts	-	-
	<b>372,935</b>	<b>705,329</b>
Less: Loan term Loan & advances	-	1,622
NSFDC Microfinance Loan	<b>372,935</b>	<b>703,707</b>
<b>NBCFDC Micro Finance Loans</b>		
Opening Balance	4,218,197	6,709,936
Add: Loan Disbursed	-	8,221,000
Sub-Total	4,218,197	14,980,936
Less: Realised	3,408,072	10,762,739
Less: Bad Debts	-	-
	<b>810,125</b>	<b>4,218,197</b>
Less: Loan term Loan & advances	-	844,714
NBCFDC Microfinance Loan	<b>810,125</b>	<b>3,373,483</b>
(iv) Advance Income Tax	1,562,769	1,285,955
(v) Loan to Staff	1,096,740	527,155
<b>Total</b>	<b>221,175,809</b>	<b>175,008,463</b>
<b>Note-13: Other current assets</b>		
Particulars	31ST MARCH, 2018	31ST MARCH, 2017
	₹	₹
Interest accrued on Loan Portfolio but not due	1,284,129	1,582,388
Interest accrued but not due on Term Deposits	7,947,387	6,501,579
Staff Advance	226,943	212,337
Other Advance	173,222	808,083
Other Receivable	91,988	309,924
Receivable From Insurance Company	235,886	-
Advance For Land	2,923,000	2,160,000
<b>Total</b>	<b>12,882,555</b>	<b>11,574,311</b>



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

<b>Note-14: Revenue from operations</b>			
Particulars	31ST MARCH, 2018	31ST MARCH, 2017	
	₹	₹	
Interest on Loan. (Refer Note (I) below)	65,399,670	49,210,359	
Processing Charges.	3,723,980	2,795,800	
<b>Total</b>	<b>69,123,650</b>	<b>52,006,159</b>	
<b>Note-14: Interest on Loan</b>			
Particulars	31ST MARCH, 2018	31ST MARCH, 2017	
	₹	₹	
<b>I) Interest on Loan comprises:</b>			
a) Interest on Micro Finance Loan	65,333,835	49,024,451	
b) Interest on NSFDC Loan	20,371	63,745	
c) Interest on NBCFDC Loan	45,464	122,163	
<b>Total</b>	<b>65,399,670</b>	<b>49,210,359</b>	
Company offers small loan products to its borrowers for income generation, which are repayable in equal weekly/fortnightly/Monthly instalments.			
<b>Note-15: Other Income</b>			
Particulars	31ST MARCH, 2018	31ST MARCH, 2017	
	₹	₹	
Interest on Fixed Deposits	4,627,534	5,642,203	
Interest on Staff Loan	87,930	36,306	
Interest on Vehicle Loan	76,129	27,662	
Miscellaneous Receipt	-	15,860	
<b>Total</b>	<b>4,791,593</b>	<b>5,722,031</b>	
<b>Note-16: Employee benefit expenses</b>			
Particulars	31ST MARCH, 2018	31ST MARCH, 2017	
	₹	₹	
Salaries, Wages & Bonus etc.	16,969,619	12,380,044	
Contribution towards Provident Fund and ESI	567,422	538,968	
Leave Encashment	50,601	90,649	
Provision For Gratuity	222,996	423,119	
Staff Welfare Expenses	294,577	359,169	
<b>Total</b>	<b>18,105,215</b>	<b>13,791,949</b>	
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.			
<b>Note-17: Finance Cost</b>			
Particulars	31ST MARCH, 2018	31ST MARCH, 2017	
	₹	₹	
Interest on Borrowings	39,349,968	27,829,943	
Interest on NSFDC Loan	21,797	36,649	
Interest on NBCFDC Loan	5,876	151,057	
Processing Fees & Other Financial Expenses	1,683,293	1,522,888	
<b>Total</b>	<b>41,060,934</b>	<b>29,540,537</b>	



Audited Financial Statements as on March 31, 2018

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

Note-18: Other expenses		Year ended 31 March, 2018	Year ended 31 March, 2017
Particulars		₹	₹
Audit Fees		100,000	25,000
Certification Fee to Auditors		-	34,500
Travelling and Conveyance		1,533,053	1,519,248
Professional fees		369,750	313,371
Telephone, Mobile & Internet		350,497	353,137
Rent		1,012,027	1,650,830
Rates & Taxes		252,705	3,246
Printing & Stationery		668,418	786,196
Bank Charges		282,033	121,861
Miscellaneous Expenses		406,268	226,338
Electricity Charges		132,274	119,079
Repairs and maintenance		226,852	70,772
Postage & stamp		7,986	12,216
TDS late fine		-	19,681
Meeting Expenses		155,967	411,163
Books and Periodicals		21,718	9,875
Insurance		178,180	28,989
Trade Licence Renewal Fees		37,500	42,270
Credit Information Fees		43,394	60,796
Grading & Rating Fees		114,682	307,423
Website Development Expenses		281,049	69,000
Consumable		33,559	5,579
Staff Training Expenses		117,273	181,565
Membership Fee		62,971	40,250
RDC Fees		537,700	243,000
Admin Charge on PF		33,304	38,386
DSC Renewal Fees		-	2,000
Eye & health Camp		-	52,311
SA- Dhan Conference Fess		-	8,000
Scholarship		11,500	2,500
Registration & insurance of Vehicle		18,520	3,085
Office Upkeep Expenses		-	2,180
Financial Inclusion and Literacy Expenses		34,925	292,535
<b>Total</b>		<b>7,024,215</b>	<b>7,056,382</b>

Note-19: Provisions for Loan Loss				
Particulars	As at 1st April, 2017	Additions	Utilisation	As at 31st March, 2018
	₹	₹	₹	₹
Provision for Loan Loss on Standard Asset	2,697,828	(1,223,472)	-	1,474,356
Provision for Loan Loss on Doubtful and Loss Assets	736,316	1,115,071	271,008	1,580,379
<b>Total</b>	<b>3,434,144</b>	<b>(108,401)</b>	<b>271,008</b>	<b>3,054,735</b>

**Note:-** During the Period the management has decided to write off Loan outstanding amounting to Rs.271008 (P.Y.Rs.NIL/-)

Note-20: Classification of Portfolio Loan on age basis					
Particulars	Estimated Provisions Adopted by the Company	As at 31 March, 2018		As at 31 March, 2017	
		Principal	Provision Amount (*)	Principal	Provision Amount (*)
Current (0 to 90 Days)	0.40%	383,778,675	1,215,119	244,662,888	978,251
91 to 179 days	50%	226,728	113,364	580,377	290,189
180 days or more	100%	1,467,814	1,467,014	446,127	446,127
<b>Total</b>		<b>305,473,217</b>	<b>2,795,497</b>	<b>245,689,392</b>	<b>1,714,566</b>
<b>*Subject to 1% Whichever is Higher (additional 0.4% in Previous Year)</b>		<b>305,473,217</b>	<b>3,854,734</b>	<b>245,689,398</b>	<b>3,434,143</b>

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.



**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
<b>Key Management Personnel</b>	
SARAT CHANDRA DAS	Managing Director
DANDI RAM KALITA	Director

**Nature of Transactions**

Particulars	31ST MARCH, 2018		31ST MARCH, 2017	
	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding
<b>With Key Management Personnel</b>				
<b>i. Sarat Chandra Das</b>				
Salary & Remuneration	761,808	-	621,634	-
<b>ii Dandi Ram Kalita</b>				
Salary & Remuneration	420,000	-	105,000	-
<b>Total</b>	<b>1,181,808</b>	<b>-</b>	<b>726,634</b>	<b>-</b>

**Note-22: Earning Per Share**

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	₹.	₹.
Net Profit after Tax	4,780,942	3,409,369
Dividend payable to preferential share	-	251,331
Net Profit after Preferential dividend	4,780,942	3,158,038
Number of Shares	3,273,148	2,910,000
Weighted Average Number of share	2,924,924	2,910,000
Earning Per Share (Basic)	1.63	1.09
Earning Per Share (Diluted)	1.28	1.09
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.



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

<b>Note-25:</b> 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.		
<b>LIABILITIES SIDE</b>	Amount Outstanding	Amount Overdue
<b>1 Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :</b>		
a. Debentures:		
Secured	Nil	Nil
Unsecured	Nil	Nil
(other than falling within the meaning of public deposits)		
b. Deferred Credits	Nil	Nil
c. Term Loans	342,527,835	Nil
d. Inter-corporate loans and borrowing	Nil	Nil
e. Commercial paper	Nil	Nil
f. Public Deposits	Nil	Nil
g. Other Loans (Cash Credit facility)	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>2 Break-up of (1)(f) above (Outstanding public deposits Inclusive of interest accrued thereon but not paid) :</b>	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
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>3 ASSETS SIDE</b>		
<b>Break-up of Loans and advances including bills receivables (other than those included in (4) below) :</b>		Amount Outstanding
a. Secured		
b. Unsecured (see schedule)		303,786,125
<b>4 Break -up of Leased Assets and stock on hire and other assets counting towards AFC activities :</b>		
I Lease assets including lease rentals under Sundry Debtors		Nil
a. Financial lease		Nil
b. Operating lease		Nil
II Stock on hire including hire charges under Sundry Debtors		Nil
a. Assets on hire		Nil
b. Repossessed Assets		Nil
III Other Loans counting towards AFC activities		Nil
a. Loans where assets have been repossessed		Nil
b. Loans other than (a) above		Nil
<b>Total</b>		<b>Nil</b>





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

<b>5 Break up of Investments :</b>			
<b>Current Investments</b>			
<b>1 Quoted</b>			
I Shares : (a) Equity		Nil	
(b) Preference		Nil	
II Debentures and Bonds		Nil	
III Units of mutual funds		Nil	
IV Government Securities		Nil	
V Others (Please Specify)		Nil	
<b>2 Un-Quoted</b>			
I Shares : (a) Equity		Nil	
(b) Preference		Nil	
II Debentures and Bonds		Nil	
III Units of mutual funds		Nil	
IV Government Securities		Nil	
V Others (Please Specify)		Nil	
<b>Long Term Investments :</b>			
<b>1 Quoted</b>			
I Shares : (a) Equity		Nil	
(b) Preference		Nil	
II Debentures and Bonds		Nil	
III Units of mutual funds		Nil	
IV Government Securities		Nil	
V Others (Please Specify)		Nil	
<b>2 Un-Quoted</b>			
I Shares : (a) Equity		Nil	
(b) Preference		Nil	
II Debentures and Bonds		Nil	
III Units of mutual funds		Nil	
IV Government Securities		Nil	
V Others (Please Specify)		Nil	
<b>6 Borrower group-wise classification of all assets financed as in (2) &amp; (3) above :</b>			
<b>Category</b>	<b>Amount</b>		
	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
1 Related Parties **			
a.Subsidiaries	Nil	Nil	Nil
b.Companies in the same group	Nil	Nil	Nil
c.Other related parties	Nil	Nil	Nil
2 Other than related parties	Nil	303,786,125	303,786,125
<b>7 Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and un quoted)</b>			
<b>Category</b>		<b>Market value/Break up or fair value or NAV</b>	<b>Book Value (Net of provisions)</b>
1 Related Parties			
a.Subsidiaries		Nil	Nil
b.Companies in the same group		Nil	Nil
c.Other related parties		Nil	Nil
2 Other than related parties		Nil	Nil
<b>Total</b>		Nil	Nil
**As per Accounting Standard of ICAI			
<b>8 Other Information:</b>			
<b>Particulars</b>			
I. Gross Non-performing Assets			
a.Related parties			Nil
b.Other than related parties			1,693,742
II Net Non-performing Assets			
a.Related parties			Nil
b.Other than related parties			113,364
III Assets acquired in satisfaction of debt			Nil



Audited Financial Statements as on March 31, 2018

**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.**

<b>Capital to Risk-Asset Ratio (CRAR)</b>	<b>For the year ended 31 March, 2018</b>	<b>For the year ended 31 March, 2017</b>
CRAR	15.96%	15.92%
CRAR-Tier I Capital	13.89%	12.72%
CRAR-Tier II Capital	2.07%	3.20%

**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**

<b>PARTICULARS</b>	<b>REMARKS</b>
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. Disclosure relating to Scuritisation i) Information duly certified by the SPV'S Auditors obtained by the originating NBFC from the SPV. ii) Details of financial assets sold to scuritisation/Reconstruction company for asset reconstruction. iii) Details of Assignment transactions undertaken by 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.302,603,065/-
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. <b>M4C3 (COCA ANG GRADING BY SMERA)</b> 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.



Audited Financial Statements as on March 31, 2018

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

<b>Note. 26A Breakup of Provisions and contingencies shown under the head Expenditure in Profit and Loss Statement.</b>			
Particulars	31ST MARCH,	31ST MARCH,	
	2018	2017	
Provision for Income Tax	2,069,473	1,754,330	
Provision for Gratuity	222,996	423,119	
Provision towards NPA	1,580,379	736,316	
Provision for Standard Assets	1,474,356	2,697,828	
<b>Note. 26B Concentration of Advances</b>			
Particulars	31ST MARCH,	31ST MARCH,	
	2018	2017	
Total Advances to twenty Largest borrowers	1,471,868	1,433,670	
Percentage of total Advances to twenty Largest borrowers to total advance of the NBFC	0.48%	0.59%	
<b>Note. 26C Concentration of Exposures</b>			
Particulars	31ST MARCH,	31ST MARCH,	
	2018	2017	
Total Advances to twenty Largest borrowers	1,471,868	1,433,670	
Percentage of total Advances to twenty Largest borrowers to total advance of the NBFC	0.48%	0.59%	
<b>Note. 26D Concentration of NPA'S</b>			
Particulars	31ST MARCH,	31ST MARCH,	
	2018	2017	
Total Exposure to top four NPA accounts	142,130	166,467	
<b>Note-27 Previous Year Figures</b>			
Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.			
<b>For D. Patwary &amp; Co.</b> Chartered Accountants Firm Registration No. 324523E		<b>For and on behalf of the Board of Directors</b>	
<b>Deepak Patwary</b> (Partner) M. No.060467	Managing Director	Director	
Date : 27/06/2018 Place: Guwahati			



**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 2018**

Sl. No.	Banks / Financial Institutions	Balance as on 01.04.2017	Received during the year	Repaid during the year	Balance as on 31.03.2018	Rate of Interest (%)	Nature of Security		Terms of Repayment
							Hypothecation of Book Debts	Fixed Deposit/ Collateral	
<b>SECURED TERM LOANS</b>									
<b>A- FROM BANKS AND FINANCIAL INSTITUTIONS</b>									
1	IDBI Bank Ltd	12,500,003	-	9,999,996	2,500,007	13.25%	Yes (100% of Book debts created out of loan)	Yes (FDR of Rs. 40 Lac)	Monthly
2	North Eastern Development Finance Corporation Limited	209,545,456	160,000,000	123,787,858	245,757,598	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	32,300,248	20,000,000	21,845,678	30,454,570	8.00%	Yes (100% of Book debts created out of loan)	Yes (FDR of Rs. 55 Lac)	Monthly
4	North Eastern Development Finance Corporation Limited	3,636,353	-	3,636,353	-	2.00%	-	-	Monthly
5	Assam Financial Corporation	14,095,674	41,900,000	17,982,337	38,013,337	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	-	7,500,000	14.50%	Yes (100% of Book debts created out of loan)	Yes (Rs. 7.5 Lac security deposit)	Monthly
7	Assam Gramin Vikash Bank	7,103,453	-	3,682,007	3,421,446	14.25%	Yes (100% of Book debts created out of loan)	Yes (FDR as Rs. 40 Lac)	Monthly
8	Small Industries Development Bank of India	10,000,000	-	3,333,330	6,666,670	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	693,000	-	396,000	297,000	4.00%	-	Yes (FDR of Rs. 9.90 Lac)	Quarterly
10	Reliance Commercial Finance	5,287,624	30,000,000	27,370,417	7,917,207	14.75%	Yes (100% of Book debts created out of loan)	Yes (FDR of Rs. 30 Lac)	Monthly
<b>Total A</b>		<b>295,161,811</b>	<b>259,400,000</b>	<b>212,033,976</b>	<b>342,527,835</b>				
<b>B- FROM DIRECTORS AND BODY CORPORATES</b>									
1	Directors	-	-	-	-	0.00%	-	-	-
2	Body Corporates	-	-	-	-	0.00%	-	-	-
<b>Total B</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>				
<b>Gross Total (A+B)</b>		<b>295,161,811</b>	<b>259,400,000</b>	<b>212,033,976</b>	<b>342,527,835</b>				

Less: Current Maturity Shown under Other Current Liabilities. (Refer Note-8)

201,064,761

**Long Term Loan as on 31st March, 2018**

**141,473,074**

**NOTE - 5A : SHORT TERM BORROWINGS.**

<b>TERM LOANS</b>									
<b>A- FROM BANKS</b>									
1									
2									
<b>Total A</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>				



## Form NBS 7

### Statement of capital funds, risk assets/exposures and risk asset ratio etc., as at the year end of 31st March, 2018

Name and Address of the Non-Banking Financial Company	<b>GRAMEEN DEVELOPMENT &amp; FINANCE PRIVATE LIMITED (Formerly Known as SHARNARTHI LEASING FINANCE PVT. LTD.)</b>
Company Code Number (as given by RBI)	NBFC-ND
Registration Number (as given by RBI)	<b>B-08.00185 Dt:18.08.2014</b>
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
<b>Capital Funds - Tier - I</b>		
(i) Paid-up Equity Capital	111	322.31
(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 3C of 1986 Act, 1934	113A	22.93
(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	78.12
(h) Other free reserves	119	-
<b>Total (111 to 118)</b>	<b>110</b>	<b>444.06</b>
(v) Accumulated balance of loss	121	-
(vi) Deferred Revenue Expenditure	122	-
(vii) Deferred Tax Assets (Net)	122A	7.05
(viii) Other Intangible Assets	123	3.39
<b>Total (121 to 123)</b>	<b>120</b>	<b>10.44</b>
(ix) <b>Owned Funds</b>	<b>130</b>	<b>433.62</b>
(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	-
The book value of debenture, bonds, outstanding loan and advances (including hire-purchase and lease finance) made to, and deposits with [please see note (2) below]		
(xi) below		
(a) Subsidiaries	144	-
(b) Companies in the same Group	145	-
(c) Wholly Owned Shares / Joint Ventures abroad	145A	-
<b>(xii) Total (141 to 145)</b>	<b>140</b>	<b>-</b>
(xiii) Amount of Item 140 in excess of 10% of Item 130 above	150	-
(xiv) <b>Tier I Capital</b>	<b>151</b>	<b>433.62</b>
<b>Net Owned Funds (130 - 150)</b>	<b>151</b>	<b>433.62</b>

PART - B		
Item Name	Item Code	Amount
<b>Capital Funds - Tier - II</b>		
(Para 2(f) (xx)(b) of Directions)		
Preference Share Capital other than those compulsorily convertible into equity		
(i)	161	50.00
(ii) Cumulative Convertible Preference Shares	161A	-
(iii) Revaluation reserves (At Discount rate of 55%)	162	-
(iv) General provisions and loss reserves including Provision for <b>Standard Assets</b> (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 BVAL)	163	14.74
(v) Hybrid debt capital instruments	164	-
(vi) Subordinated debt (Subjected to prescribed Discount Rates & Not exceeding 50% of Tier I)	165	-
(vii) <b>Aggregate Tier II Capital (161 to 165)</b>	<b>160</b>	<b>64.74</b>
<b>Total Capital Funds (151 + 160)</b>	<b>170</b>	<b>498.36</b>

PART - C		
Item Name	Item Code	Amount
<b>Risk Assets and Off-Balance Sheet Items</b>		
(i) Adjusted value of funded risk assets i.e. on-balance sheet items (To tally with Part D)	181	3,122.41
(ii) Adjusted value of non-funded and off-balance sheet items (To tally with Part E)	182	-
(iii) <b>Total risk weighted assets/exposures (181 + 182)</b>	<b>180</b>	<b>3,122.41</b>
(iv) Percentage of capital funds to risk weighted assets/exposures		
(a) Tier I Capital (Percentage of Item 151 to Item 180)	191	13.89%
(b) Tier II Capital (Percentage of Item 160 to Item 180)	192	2.07%
(c) Total (Percentage of Item 170 to Item 180)	193	15.96%





PART - D				
Item Name	Item Code	Book Value	Risk Weight	Adjusted Value
<b>Weighted Assets, i.e. On-Balance Sheet Items</b>				
<b>I</b>	<b>Cash</b>	210	0%	-
<b>II</b>	<b>Bank balances including Fixed Deposits &amp; Certificates of Deposits</b>	210A	80.09	0%
<b>III</b>	<b>The Deposits/Collaterals held with CGL in connection with CBLO</b>	210B	-	0%
<b>IV</b>	<b>Investments</b>			
	(a) Approved securities as defined under Section 53B of RBI Act, 1934	221	-	0%
	<b>(b) Bonds of public sector banks</b>			
	(i) Amount deducted in Part 'A' Item (xii) Item code 150	222A	-	0%
	(ii) Amount not deducted in Part 'A' Item (xii) Item code 150	222A	-	20%
	<b>(c) FDS/CDs/bonds of public financial institutions</b>			
	(i) Amounts deducted in part 'A' Item (xii) Item code 150	224A	-	0%
	(ii) Amount Not deducted in part 'A' Item (xii) Item code 150	225A	7.50	100%
	<b>Sub-total (222A+223A+225A)</b>	<b>ST 225A</b>	7.50	-
	<b>(d) Shares of all companies and debentures/bonds/ commercial papers of companies and units of all mutual funds</b>			
	(i) Amounts deducted in Part 'A' Item (xii) Item code 150	226	-	0%
	(ii) Amounts not deducted in Part A	227	-	100%
	<b>Sub-total (226+227)</b>	<b>ST 227</b>	-	-
<b>V</b>	<b>Current Assets</b>			
	<b>(a) Stock on hire (Please see Note 2 below)</b>			
	(i) Amount deducted in Part A Item (xiii)	231	-	0%
	(ii) Amounts not deducted in Part A	232	-	100%
	<b>Sub-total (231+232)</b>	<b>ST 232</b>	-	-
	<b>(b) Interpolate loans/deposits</b>			
	(i) Amount deducted in Part A Item (xiii)	233	-	0%
	(ii) Amounts not deducted in Part A	234	-	100%
	<b>Sub-total (233+234)</b>	<b>ST 234</b>	-	-
	<b>(c) Loans to staff</b>	236	19.14	0%
	<b>(d) Other secured loans and advances considered good</b>			
	(i) Amount deducted in Part A Item (xiii) Item code 150	241	-	0%
	(ii) Amounts not deducted in Part A	242	-	100%
	<b>Sub-total (235+236+241+242)</b>	<b>ST 242</b>	19.14	-
	<b>(e) Bills purchased/discounted</b>			
	(i) Amount deducted in Part A Item (xiii) Item code 150	243	-	0%
	(ii) Amounts not deducted in Part A	244	-	100%
	<b>Sub-total (243+244)</b>	<b>ST 244</b>	-	-
	<b>(f) Others (Unsecured Micro credit portfolio, Stock, other loans &amp; Advances)</b>	245	3,037.80	100%
<b>VI</b>	<b>Fixed Assets (net of depreciation)</b>			
	(a) Assets leased out	251	-	0%
	(i) Amount deducted in Part A Item (xiii) Item code 150	252	-	100%
	(ii) Amounts not deducted in Part A	253	-	100%
	<b>Sub-total (251+252)</b>	<b>ST 252</b>	-	-
	<b>Total credit exposures (ST222+ST234+ST242+ST244+245+ST252)</b>	<b>CT 200</b>	<b>3,057.00</b>	-
	(b) Prepaid	251	-	100%
	(c) Furniture & Fixtures	254	29.81	100%
<b>VII</b>	<b>Other Assets</b>			
	(a) Income tax deducted at source (net of provisions)	255	-	0%
	(b) Advance tax paid (net of provisions)	256	-	0%
	(c) Interest due on Government Securities	257	-	100%
	(d) Others (to be specified)	258	47.24	100%
	<b>Total weighted assets (Items 210 to 258)</b>	<b>300</b>	<b>3,943.89</b>	<b>0%</b>

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%	-
	<b>Total non-funded exposures (Items 310 to 360)</b>	<b>360</b>	-	-	-

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	Item code	Amount
1	<b>Aggregate of credit exposures categorized into:</b>		
(i)	Standard assets	411	3,037.80
(ii)	Sub-standard assets:		
	(a) Loans and lease receivable assets	412	-
	(b) Other credit facilities	413	16.94
(iii)	Doubtful assets	414	-
(iv)	Loss assets	415	-
	<b>Gross Credit Exposure (411 to 415)</b>	<b>410</b>	<b>3,054.72</b>
	Total NPA	416	16.94
	Gr. NPA (%)	417	0.55%
	Provision for NPA	418	13.80
	Net NPA	419	1.13
	<b>Net Credit Exposure</b>	<b>420</b>	<b>3,038.93</b>
	Net NPA (%)	420	0.04%



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-banking financial company	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 341 and 342 ) 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 MF1** 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 amount outstanding in respect of loans, held together with other assets of the company during the year ended **MARCH 31, 2018** 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, exposure 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 I 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 : 27-Jun-18  
Place: Guwahati

Share Capital	37,731,480
Reserve and Surplus	11,674,234
	<u>49,405,714</u>
Less:	
Fictitious Assets (Deff Tax Assets)	704,789
	<u>48,700,925</u>
Number of Fully Paid Equity Shares	377,315
Book Value of Each Equity Shares	<u>129.07</u>



## COMPUTATION OF TAXABLE INCOME

	PBT	6,850,415	
Add:	Loan Loss Provision	(108,401)	
	Fee For Authorized Cap Increase	525,000	
	Provision for Gratuity	-	
	Depreciation (Co Act)	982,865	
		<hr/>	
		8,249,879	
Less	Depreciation (IT Act)	638,624	
	Deduction Under section 36(1)(viia)	-	380,562.75
	Gratuity Paid	-	
		<hr/>	
		7,611,255	
		<hr/>	
	TAX	1,959,898	
		<hr/>	
		1,959,898	1,999,898

## COMPUTATION OF DEFERRED TAX

WDV AS PER Income Tax Act	3,840,988	
WDV AS per Companies Act	4,158,678	
Difference	(317,690)	Liability
Provision on Loan as Per B/sheet	3,054,735	Assets
Provision o Loan As per Income Tax Act	-	
Provision on Gratuity	-	Assets
Total Assets	2,737,045	
DTA	704,789	
Balance as at 31.03.2017	734,837	
Provision required	(30,048)	





# Annual Report, 2017-2018



Opening Equity Share	2910000	365			1062150000	1062150000
Opening Preference Share	500000	365			182500000	
	100000	350			35000000	
	3410000				0	
Add: Issue of Fresh Preference Share	375000	211	3/17/2018	8/18/2017	79125000	
Less: Converted to Equity	475000				0	
Add: Equity Issued	363148	15			5447220	5447220
	3673148				0	
					1364222220	1067597220
					3737595.123	2924923.89
	363149.8					



**Our Partners in Progress**

**FINANCIAL INSTITUTIONS**



**BANKS**



**NBFC**



**Credit Information Bureaus**



**INSURANCE**



**SYSTEM PARTNER**





**GDFPL Family Members**



Great teams have a great  
culture driven by great  
leadership  
~Sinapis~

**“MAN IS THE MAKER OF HIS OWN HAPPINESS”**

We fight to win and win with a knock out, because there are no runners  
up in war. -General JJ Singh

| Grameen Development & Finance Pvt. Ltd. | Annual Report: 2017-18





[www.gdfpl.com](http://www.gdfpl.com)

**GRAMEEN DEVELOPMENT & FINANCE PVT LTD**

Dubjani, Kuls Road, PO/PS : Chhaygaon, Dist : Kamrup, Assam, Pin : 781124