

In support of
Sustainable
Livelihood

Grameen Development & Finance Pvt Ltd



Annual Report, 2014-15

// Vision

To emerge as the most preferred MFI supporting hundred thousand livelihoods in the north eastern part of India by 2018.

// Mission

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

// Contents

About the company	3-4
From the desk of Managing Director	5-6
Governance	7-8
Management Discussion & Analysis	9-14
Director's Report	15
Product Details	21-22
Working at GDFPL	23-26
Operational Performance	27-30
Financial Performance	31-32
Case Study	33-34
Independent Auditor's Report	35-58
Branch Offices	59

// About the Company

M/s Grameen Development & Finance Private Limited formerly known as M/s Sharnarathi Leasing & Finance Private Limited (hereinafter mentioned as “The Company”) is a NBFC-MFI registered with Reserve Bank of India, Guwahati. The Company is based in Chhaygaon, Kamrup, Assam, India and currently operating with 15 branches across 3 states of North Eastern India namely Assam, Meghalaya and Nagaland.

The Company is the outcome of the Grameen Sahara’s long time hard work and dedication in the field of Microfinance. Grameen Sahara is incorporated as a not for profit organization under the Societies Registration Act, 1860 bearing Regd. No. RS/GOAL/B/50 of 2001-2002. Since inception, it has endeavored towards bringing changes in the livelihoods of the poor and underprivileged through its different livelihood programs. Grameen Sahara started Microfinance in the year 2004 with an aim to establish a local sustainable Microfinance Institution to help the rural poor in bringing up their economic standard.

However, being a non-profit entity, Grameen Sahara (i.e. NGO) is not an ideal way for continuing microfinance activity in long run. At the same time, RBI has created new category of NBFC called NBFC-MFI to regulate the Microfinance sector. As a result, banks are reluctant to provide loans to NGO-MFIs, which affect the NGO’s planning to cover more



beneficiaries & area and attain growth. Therefore, need has arisen to transform its Microfinance programme into an NBFC-MFI.

Thus, to transform into an NBFC-MFI, a Chandigarh (Punjab) based NBFC called M/s Sharanarathi Leasing and Finance Pvt. Ltd. was acquired and completed the transformations. The chronology of the process is as follows:

- Regional Director (NR)-MCA passed its order to transfer the ROC from Chandigarh to Shillong vide order dated 11-12-2013.
- ROC, Shillong issued new CoR on 16-01-2014.
- RBI, Guwahati issued new CoR on 14-03-2014.
- Name has been changed into M/s Grameen Development & Finance Pvt. Ltd. ROC, Shillong issued fresh CoR under new name on 08-08-2014.
- RBI, Guwahati has also issued fresh CoR under new name on 18-08-2014.
- Re application for NBFC-MFI classification is under process with RBI,

// About the Company

Guwahati.

- Receipt of NBFC-MFI classification in December, 2014

The process of successful transformation can be attributed to the untiring effort of the Board of Directors along with the perspiration of the microfinance personnel. After the transformation process special care is taken for acquisition of portfolio of the old entity by the new one. In the Financial Year 2014-15 all total INR 3.79/- CR for 7 branches was acquired by The Company. After the acquisition as on 31-03-2015 the NGO has a portfolio outstanding of INR. 5.8/-CR. the NGO's portfolio is supposed to be come down gradually because all disbursement to the clients of The NGO will done by The Company. The company has been able to disburse more than Rs. 12.66/- crores and had a portfolio of more than Rs. 10.21/- cores as on 31-03-2015.

To mention here the microfinance programmes of the Company have been supported by various Governmental and Non Governmental Agencies such as NEDFi, National Backward Classes Finance & Development Corporation (NBCFDC), Assam Financial Corporation (AFC), Allahabad Bank, IDBI Bank and Assam Gramin Vikash Bank. As on date the Company has been working with more than 13,000 families with microfinance operations.

The Company is in operation since last three years

have the following strengths and disciplines-

- The Company has a strong Board of Directors along with a team of professionals from different fields like management, engineering, agriculture, economics, commerce, science, social work, etc.
- The Company's activities are being implement under the strict compliance of RBI guidelines;
- The Company has its own Fair Practice Codes, which has been developed at par with RBI guidelines and Industrial ethics;
- The company is rated by international level reputed Rating Agency CRISIL, which have been accepted by the funding agencies like SIDBI, NEDFi, AFC, Oiko Credit, banks etc as qualified investment grades.
- International Finance Corporation (IFC) has selected the company to sponsor it's 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.

// From the desk of Managing Director

M/s Grameen Development & Finance Private Limited (GDFPL) has finally reborn by that name with the issue of license by Reserve Bank of India, Guwahati. The achievement of GDFPL getting reclassified as an NBFC-MFI, second in North Eastern India, by itself speaks about the level of adherence of the Company to the regulatory (RBI) and other compliances needed to have been reclassified as an NBFC-MFI. It was not easy being on a transformation route. However, we have not compromised to the transparency, client protection, and social responsibility. It is my pleasure that we could near meeting our target set for the financial year. The company is not going by the mantra of grow, grow and grow. The company will take some time to build a solid foundation with new areas of operation, to earn surpluses to spread bonus for its employee who have been sweating to build the company. As of now the company does not hold a position in terms of size or volume. But in terms of quality and adherence to the regulatory compliance it dreams to be the best and also in coming years it will be one of the largest MFI in the region. Still we have some inherent challenges like change in organizational behaviour and culture. Regular orientation and training programs are being organized for the employees. The

company will prepare to face the future unexpected circumstances as there are rapid changes in the regulatory as well as general ecosystem building a solid foundation following sound business and human resource practices. Governance practices will be strengthened and in next financial year the company will induct two independent directors having banking and finance background. Although we have resource constraints; yet we have put priority to manage spaces to expand as steep competition is likely. The company is very young as NBFC-MFI, still working like a mature peer in terms of systems and processes. Financial inclusion has been a major government agenda and it is essential for equity and progress of the country and in order to achieve this we have joined to contribute whatever little we can as a small company. We have integrated financial literacy components with the branch operation. This endeavor has been backed by the client relationship built over a period of times since Grameen Sahara started working. The company has always tried to be an important sector player by playing a role that businesses will certainly be able to satisfy all stakeholders. The most important challenge that the company has accepted is to build a successful social enterprise for their stakeholders. We know there is no clear path

// From the desk of Managing Director

and we need to pave the way as we go along. The regulators are nudging the sector, as it achieves profitability and scale, to pass on the benefits not only to the investors & employees but also primarily to the customers through reduced interest rates. We will certainly fulfill that objective. The company also expect turbulent times for the MFIs in near future in terms of pressure on interest margins, changes in the sources of funding, bad press publicity, poor business and governance practices by some of the MFIs in the sector, disruptive reactions from those who have vested interests in maintaining status quo, and most importantly, if we are not able to change many of our practices in customer selection, extension of credit and collection, it will certainly create mass default from our customers. Keeping in view all these GDFPL will regularly look backward and forward and will make changes as required without compromising quality and focus.

We are very grateful to Northeastern Development Finance Corporation, Assam Gramin Vikas Bank, IDBI Bank and Assam Financial Corporation for their support at the very early and crucial stage of the Company and to the support extended by all our stakeholders, clients, beneficiaries for the trust reposed on the company. I

also take opportunity to thank each of the board members, friends, well wishers and my colleagues for their support, cooperation and contributions in building the company.

// Governance

Sarat Chandra Das

With a remarkable work experience of 15 years in esteemed organizations like RGVN, HDFC Bank, Sa-Dhan etc, 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 charismatic leadership and optimistic decision making Grameen Sahara achieved confidence of the beneficiaries and attained around INR 18/- crores portfolio under the microfinance program.

Srijib Kumar Baruah

NEDFi has nominated Srijib Kumar Baruah, Executive Director of NEDFi as nominee director in the Board of Grameen Development & Finance Private Limited. Mr. Baruah has a wide variety of qualifications like M.B.A., LL.B., Associate Member of Institute of Company Secretaries of India. 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.

Dandiram Kalita

Dandiram Kalita is retired personnel of 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 at Grameen Development & Finance Private Limited and an integral part of the Internal Audit system of the Company.

Dr. Tapan Chandra Kalita

Dr. Kalita has done excellently in the field of child education and sericulture. For his extensive interests in various fields, he has been very closely associated with various organizations including Assam Science Society. He was an active member of Grameen Sahara from last 10 years and during his association his priority was client protection.

As far as composition is concerned the company would like to maintain greater diversity in future extension of the board (especially women, directors with different

// Governance

socio-cultural and educational backgrounds, etc). It is believed that diversity will contribute positively. Again an advisory committee will be constituted so that it can contribute the overall quality of the board's actual working.

The board has created specific sub-committees to take account of the interests of other such stakeholders (like clients and their protection, employees etc.). The sub-committees are as follows:

1. Human Resource Committee
2. Audit Committee
3. Grievance Redressal Committee
4. Committee against Sexual Harassment
5. Social Performance Management Committee

Dr. Tapan Chandra Kalita retired from the Board in Financial Year 2014-15

// Management Discussion & Analysis

Introduction

M/s Grameen Development & Finance Private Limited operates in 3 districts of Assam viz., Kamrup, Kamrup Metropolitan and Goalpara; in 3 districts of Meghalaya viz., East Khasi Hills, North Garo Hills and West Garo Hills and 1 district of Nagaland viz., Dimapur. The company provides INR 5,000-50,000/- only under the joint liability group model for income generation purposes like setting up and expansion of petty trade and small business, agriculture and allied activities, animal husbandry etc. To cater the entrepreneurs with more capital requirement, there is provision of loans from INR 15000-100000/- in a limited manner through individual model. Apart from loans services like provision Micro Insurance, Financial Literacy Trainings, Skill Development Trainings etc. to the clients are also part of product mix of the Company.

The Indian Microfinance Industry

According to data accumulated by Microfinance Institutions Network (MFIN), geographically across 32 states and union territories, the MFI network has increased 8% from 9,741 branches in FY 2013-14 to 10,553 branches in FY 2014-15. Also the total Gross Loan Portfolio (GLP) of the microfinance institutions during the financial year 2014-15 stood at INR 40,138

crores as compared to INR 24,862 crores in the financial year 2013-14. This suggests that the GLP has increased 61% as compared to the previous financial year. Such growth of the microfinance industry can be greatly attributed to the stability of the business environment and optimistic role played by the regulatory bodies. The data also reflect the growing confidence of investors in the industry as during FY 2014-15 the total debt-funding attracted by the MFIs rose, which is 84% more than FY 2013-14. A major chunk, i.e. 78% of the total funding came from banks owing to an increased securitization of 39% while the rest came from other Financial Institutions. As per the MFIN report, in the FY 2014-15 over 30.5 million borrowers were provided credit with an annual disbursement of INR 54,591 crores, a 55% increase over FY 2013-14. With an impressive year on year growth, the microfinance industry is all set to expand with the support and impulse from government programmes, such as Pradhan Mantri Jan Dhan Yojana (PMJDY) and Pradhan Mantri MUDRA (Micro Units Development and Refinance Agency) Yojana. Further, the RBI regulations for conversion of an MFI into a small bank and boosting the business correspondent model would renovate the MFI sector. The Reserve Bank of India has provided good amount of clarity for smoother

// Management Discussion & Analysis

operations of the sector. Engagement of the sector with various stakeholders have increased significantly, thereby, creating a much better understanding of the activities, role and importance of microfinance institutions. The priority sector guidelines issued to banks recognize the role played by MFIs in reaching out to the unbanked population. This has helped the MFIs to access funds both from public as well as private sector Banks. To make the data of Credit Bureaus more faultless RBI has made it mandatory for all NBFCs to become member of all the existing Credit Bureaus in India. It has been decided that the best option would be to mandate all Credit Institutions to become members of all Credit Bureaus and moderate the membership and annual fees suitably.

Operational Performance

Operation wise financial year 2014-15 was a great year for the Company. Taking forward the growth momentum of previous years, the Company further expanded its operations 12 new branches villages during this period. As on 31-03-2015 the Company has 9975 active women entrepreneurs in its book against 2087 in the financial year 2013-14. The Company has made cumulative disbursements of INR 16.37/- crores so far. The loan outstanding at the close of business on March 31, 2015

stood at INR 10.21/- crores against INR 2.10/- crores as on March 31, 2014. The quality of portfolio continues to be excellent over the years and with the type of thrust the company puts on quality of processes and procedures, the company is confident of maintaining high quality of origination in future as well.

Financial Performance

In terms of financial performance of the company, total income from operations for the period stood at INR 0.98/- crores with operating expenses at INR 0.53 crores and financial expenses at INR 0.40 crores the profit before tax for the financial year stood at INR 0.09 crores. The company earned Profit after tax of INR 0.06 crores for the financial year. The Company is very comfortably placed in terms of capital adequacy requirements. The Capital adequacy of the company stood at 26.04% as on 31st March, 2014.

Resource Mobilization

The Company got excellent support from the equity partners during the financial year 2014-15. Under “North east Equity Fund Scheme” NEDFi provided equity of INR 0.5 crores to the Company during the financial year. To keep the momentum of growth of the company in next financial year it will need additional equity of

// Management Discussion & Analysis

minimum INR 2/- crores. And to achieve this goal the company has get in touch with a well known equity consultant. Again initial discussion with SIDBI is made for equity support.

The total funding support from debt providers the financial year 2013-14 was more than INR 13.4 crores against sanction of INR 14.4/- crores. The breakup of the received disbursement of is as follows INR 12/- crores from NEDFi, INR 0.4/- crores from Assam Gramin Vikash Bank and INR 1 crores from IDBI Bank. Assam Financial Corporation sanctioned INR 1 crores. The Company got borrowing for the first time in this financial year. It acknowledges excellent support provided by various banks and financial institutions during the period. It was mainly because of such support received from funding partners, the Company could achieve higher growth during the period. The support from partners, gives the Company lot of confidence to meet the challenges of liquidity in the months ahead. The Company expects that with receipt of NBFC-MFI reclassification and greater regularity clarity, the comfort level of the funders and investors towards the Company will increase manifold. The company has higher funding requirements for the year 2015-16 and it is confident of meeting the same.

Audit and Internal Control

The internal audit and control system of the Company is very well-defined and is headed by experienced microfinance experts and banker. The internal audit department of the Company monitors and assesses the internal controls of the Company and check for compliance of various statutory and regulatory norms. 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 behavior of the staff towards clients.
- Adherence of appropriate collection mechanism, and
- Adherence to fair practice code and code

// Management Discussion & Analysis

of conduct adopted by the Company.

Loan Portfolio Audit

A Loan Portfolio Audit was conducted by an independent audit firm during due diligence done by IDBI bank before sanctioning of loan. It was to verify independently the repayment rate and Portfolio at Risk reported by the Company and with special emphasis on compliance of RBI guideline. The exercise was done over a period of 15 days with visits to branches along with different sitting with various departments at Head Office. The loan portfolio audit confirms that the Company is complying Reserve Bank of India's guidelines and its gross loan portfolio quality is good and delinquency management system adopted is fairly good.

Client Protection Principle

The client remains the central to all activities of the company. With a view to understand how well the company is serving the clients and where the gaps to cover a regular assessment are is done by inner staff. The company will ensure that the gaps identified are appropriately addressed.

As per the report the SPM process of the Company has scored all total 80 out of 84 (i.e.,95%).

The brief percentage wise scoring of 7 principles of client protection described by Smart Campaign is as follows:

1. Appropriate Product Design & Delivery:91.66%
2. Prevention of over-indebtedness: 100%
3. Transparency: 95%
4. Responsible Pricing: 100%
5. Fair and Respectful Treatment of Clients: 90%
6. Privacy of Client Data: 100%
7. Mechanism for Complaint Resolution: 100%

Risk Management

The Company for the first time established a specific department to look after Risk Management. Now it has become one of key departments in the Company. All products, processes, procedures, existing or proposed, have to conform to the risk management framework. Risk management in the company has evolved out of benchmarking of the best competitive practices, own risk appetite and historical portfolio performance and philosophy on taking additional risk. The Company is working to put a robust risk management frame work in place. While the Company had basic structures in place from almost beginning, Deloitte Consulting is assisting the Company in putting in place a framework for RM. The initiative is

// Management Discussion & Analysis

supported by International Finance Corporation(IFC).

Management Information System

The Company uses BIJLI (Business Information Justified & Logically Integrated) software which is developed by Force Ten Technologies. There are two packages in this software. One is Branch package and second one is Head office package. The backup of data needs to be taken on daily basis and send the same backup via email to head office for consolidation. Once backups from branches are restored the HO package of MIS software automatically consolidates the data. Due to problem related to internet connectivity there is gap of around 3 days of data consolidation at head office level. To deal with this problem the MIS department maintains a manual report on excel containing important information like recovery, outstanding, cash, bank etc. For connectivity Head Office is equipped with broadband connection whereas all the other offices are equipped with internet dongles. This enables the Company to have real time data, besides bringing in operational efficiencies. For current level of operations and expected growth in medium term the MIS is more than adequate. There is a plan for making the MIS online in next financial

year and at that moment the effectiveness and efficiency of MIS will increase.

Human Resource

The Human Resource (HR) department at the Company has manifold duties and responsibilities. It 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, behavioral and functional training to the existing staff. 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

// Management Discussion & Analysis

- Hiring and conducting induction
- Keeping them in their positions
- Ensuring that they perform to expectation.

Besides, the HR department also clarifies and sets day to day goals for the Company. It supervises people in the entire Company and plans for future ventures and objectives involving the people of the Company. Apart from the regular functions HR department is involved in developing better HR tools like performance appraisal, 360 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.

Client Grievance Redressal

The company has placed a sound mechanism for the redressal of clients' grievance with four window system for receiving any grievance/complaint/suggestion/feedback:

1. Complaint box
2. Dedicated customer service no displayed in the back of loan passbook.
3. Appointment of a Nodal Officer and display of phone no of the Nodal Officer in each office.
4. Distribution of pre-postage paid envelops to clients for sending any

grievance/feedback.

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.

The clients can place complaints anonymously and strict privacy is maintained while dealing with various complaints. A neutral committee addresses the complaints received through various sources.

Credit Plus Initiatives

The company has further strengthened its initiatives in the area of providing financial awareness, vocational training, market linkages and other non financial services. During the financial year 2014-15, the Company organized Health Camps and Financial Awareness programs for its members. It has plans to increase the level of activities and also deepen the penetration through multiple visits and camps for greater effectiveness of the programs.

The company has dedicated SPM Coordinator to take care of Credit Plus Initiatives. Board of Directors also gives emphasis on Social Performance Management.

// Director's Report

To the Members,

Your Directors have pleasure in submitting their 26th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

1. Financial Results

The Company's financial performance for the year under review alongwith previous years figures are given hereunder

Particulars	31/03/2015 (Rs.)	31/03/2014 (Rs.)
Income from Business Operation	92,86,503	34,20,109
Other Income	3,52,871	4,852
Total Income	1,01,79,374	34,24,934
Less Interest	30,27,787	--
Profit before Depreciation	9,10,976	13,89,240
Less Depreciation	89,718	9,066
Profit after Depreciation	8,21,258	13,80,174
Less Current Income Tax	5,87,530	4,75,072

Less Previous Year adjustment of Income Tax	--	--
Less Deferred Tax	-2,41,691	-29,665
Net Profit after Tax	4,75,419	9,34,766
Earning per share (Basic)	0.23	0.78
Earning per share (Diluted)	0.23	0.78

2. Dividend

No Dividend was declared for the current financial year due to conservation of Profits by the Company.

3. Transfer of unclaimed dividend to investor education and protection fund

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

4. Review of business operations and future prospects

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

// Director's Report

The Company is a Non-Banking Finance Company registered with the Reserve Bank of India duly licensed as NBFC-MFI. During the year under review, the company has got loan portfolio of Rs. 10,21,28,728/= as against a loan portfolio of Rs. 2,105,8,427/= during previous financial year. The company has earned a net profit of Rs. 4,75,419/= against a net profit of RS. 9,34,766/=. The portfolio has grown by 385%. However, the profit has decreased by 50%. Because of our expansion plan we have recruited more team members as well as infrastructure have been put in place. As a result the cost has increased and the net result has shown a decline. Next financial year onwards the company will have better bottom line.

5. 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

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report

6. Adequacy of internal financial controls

with reference to financial statements

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation were observed.

7. Conservation of energy, technology absorption, foreign exchange earnings and outgo

The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange inflow or Outflow during the year under review.

8. Statement concerning development and implementation of risk management policy of the company

The Company has framed and implemented a risk management policy to counter the threats effecting the profitability and existence of the Company.

9. Details of policy developed and implemented by the company on its corporate social responsibility initiatives

The Company has not developed and

// Director's Report

implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

10. Particulars of loans, guarantees or investments made under section 186 of the companies act, 2013

There was no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

11. Related parties transactions

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review except salary to the Managing Director/Whole Time Directors as set out in ANNEXURE A in prescribed form AOC – 2 and forms part of this report.

12. Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the auditors and the practicing company secretary in their reports

There was no qualifications, reservations or adverse remarks made by the Auditors in

their report. The provisions relating to submission of Secretarial Audit Report in not applicable to the Company.

13. 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.

14. 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.

15. Meetings of the board of directors

The Company had 19 (Nineteen) Board meetings viz. 8th April'2014, 28th April'2014, 7th June'2014, 10th June'2014,

// Director's Report

2nd July'2014, 7th July'2014, 25th July'2014, 14th August'2014, 5th September'2014, 16th September'2014, 10th October'2014, 11th November'2014, 13th November'2014, 15th November'2014, 6th January'2015, 24th February'2015, 20th March'2015, 28th March'2015 and 30th March'2015; during the financial year under review.

The number of meetings attended by the Directors during the FY 2014-15 is as follows :

Name of the Director	No of meetings attended
Sarat Chandra Das	19/19
Srijib Kr Baruah*	05/19
Dandiram Kalita**	15/19
Dr. Tapan Chandra Kalita***	06/19

* Joined the board in the last quarter of the FY

** Joined the board after 4 meetings of the board already held.

*** Resigned after 6 meetings of BoD during the reporting period

16. Directors responsibility statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit 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;

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

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

(e) The Company, being a Private Limited Company, the provisions relating to laying down internal financial controls to be followed by the company are 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.

17. Subsidiaries, joint ventures and associate companies

// Director's Report

The Company does not have any Subsidiary, Joint venture or Associate Company.

18. Deposits

The Company has neither accepted any deposits since inception.

19. Directors and key managerial personnel (KMP)

Mr. Sarat Chandra Das continued as whole time Director of the Company and his designation has been changed to Managing Director during the financial year in pursuance to the BoD meeting held dated 14th August 2014.

During the year under review, Mr. Srijib Kumar Baruah was nominated to the Board by NEDFi w.e.f. 10/12/2014 and Mr. Dandi Ram Kalita was appointed to the Board w.e.f. 30/06/2014.

Mr. Tapan Chandra Kalita resigned from the post of Additional Director of the Company on 25/07/2014.

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.

20. Disclosures under sexualharassment of women at workplace (prevention, prohibition & redressal) act, 2013

The Company is committed to provide safe and conducive work environment to its employees. During the year under review, no case of sexual harassment was reported.

21. Declaration of independent directors

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

22. Statutory auditors

M/s Rajendra Leela & Associates, Chartered Accountants, Guwahati were appointed as Statutory Auditors for period of 3 years in the Annual General Meeting held on 30/09/2014. Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

23. Risk management policy

// Director's Report

The Company has framed and implemented a risk management policy to counter the threats effecting the profitability and existence of the Company.

24. 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.

25. 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.

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.

26. 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.

27. Acknowledgements

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies 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	Dandi Ram Kalita
(Managing Director)	(Director)
02849186	06902163

Date: 03/09/2015

Place: Chhaygaon

// 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)
- Credit Plus Services

In short, the Company provides loans to both men and women for meeting their working capital needs and diversifying income sources by taking up livelihood activities and also for up scaling existing businesses through assets 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 Generation
Loan Amount	INR 5000-60000/- in 1st cycle and maximum INR 5000/- 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 (If loan amount > Rs 15,000/- Repayment period is 2 years.)

Individual Loan Product Details

Purpose	Income Generation
Loan Amount	INR 15000-60000/- in 1st cycle and maximum INR 5000/- increment in next cycle.
Rate of Interest	Maximum 25% reducing rate per annum
Loan Processing Fee	1% of gross loan amount

// Product Details

Security	NIL
Membership Fee	NIL
Repayment Period	1 to 2 years (When loan amount > Rs 15,000/- Repayment period is 2 years.)

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



// Working at GDFPL



// Working at GDFPL

The Company believes that in order to achieve the targeted vision of emerging as the most preferred microfinance institution in the north-east India; it has to walk hand-in-hand with the clients and other stakeholders. In this process, the Company is trying to grow along with the clients by:

- Designing appropriate product and service delivery
- Preventing over indebtedness of clients
- Operating with transparency
- Pricing products responsibly
- Giving fair and respectful treatment to clients
- Maintaining privacy of client data
- Addressing client's grievance

Appropriate Product Design & Service Delivery

The Company believes in product innovation in order to improve efficiency and effectiveness in delivering the products and services. The Company gives options to the clients to choose repayment frequency like weekly, bi-weekly and monthly so that it matches the income flow of the clients. The Company provides loan tenure of 2 years in case larger loans exceeding INR 15000/-. Apart from loans through JLG model in order to cater a larger section of society the company also provides loans in limited manner through

individual model.

Prevention of over indebtedness

The Company always tries to ensure protection of the clients by educating them on the evil aspects imposed by over-borrowing without repayment capacity. There is a training module to build up its employees so that they could make necessary enquires with regard to existing debt of the clients. Some points that may be further considered are as follows:

- The Company has a strong policy of not being the third lender in any circumstances. Further, a fact check is done to ensure if the client's household income exceeds the prescribed limits given by RBI.
- The Company's first cycle loan amount is not greater than INR 35000/-. The loans start from INR 5000/- as large loans poses threat of default.
- The Company does not disburse loans to clients whose total exposure on the date of application including the current outstanding from the other financial institution and proposed loan exceeds INR 50000/-.
- The Company provides a minimum moratorium period, which is not less than the frequency of repayment.
- The Company shares complete client data with Credit Information Bureaus.

// Working at GDFPL

- The Company does not promote reckless lending as this may reduce the repayment capacity of the clients and over burden them.
- The Company mainly focuses on rural and un-served or under-served areas.
- The Company carries out a due diligence analysis to ensure the repayment capacity of the clients. Loan application captures household's outstanding loans and cross-checked during house visit by Credit Officials and Branch Head.

Transparency

The Company adequately practices the principle of transparency by:

- Communicating in vernacular language. Product terms and conditions including fees are explained verbally during the CGT, GRT, disbursement and centre meetings.
- Communicating that the rate of interest would be charged on the reducing balance and which is prominently displayed in all offices, literature and on website.
- Making available details of all charges including grievance redressal mechanism, in loan agreement and loan pass book.
- Communicating clearly the rules pertaining to insurance and pre payment.
- Taking client's consent for sharing data with credit bureau.
- Ensuring valid receipt is given for all kind

of transactions.

These apart, efforts are made to check regularly on clients' awareness and understanding of the key terms and conditions by branch supervision and internal audit.

Responsible Pricing

Pricing of a product or a service is one of the important determinants leading to success of an organization. The Company also takes the matter of pricing loan products very earnestly and charges an interest rate of maximum 25% on reducing balance from the clients. This rate is calculated by staying within the limits prescribed by the RBI.

The Company charges a Processing Fee of 1% on the gross loan amount according to RBI guidelines.

No handling/administrative charges are retained by the company for providing insurance.

Fair and respectful treatment to clients

Clients are the pillars of any microfinance organization and this is true in case of the Company too. A lot of emphasis is laid on staff behavior and likewise appropriate training is imparted to the staffs for fair treatment of clients without any

// Working at GDFPL

discrimination.

Basically, clients are dealt with on the field. Therefore, the Company puts lot of emphasis on appropriate behavior of the staff towards client during collection or CGT and GRT. Some of the measures taken for this are enumerated below:

- Recovery agents are not engaged for collection. All Credit officials are on roll of the Company
- Motivation and Persuasion not coercion are preferred means to deal with the clients.
- Collection happens only at centre meetings in presence of the group members.
- There is no collection after sunset.
- Disciplinary actions are taken against the violator staff.

The company has adopted the RBI Fair Practice Code and Unified Code of Conduct prescribed by Sa- Dhan and MFIN. Display of a gist of above mentioned codes and their practices and implementation guidelines are there in all offices. It is also included in loan passbooks. Complete versions are available in offices.

Privacy of client data

While growing the business through client acquisition, the Company has always ensured privacy as well as protection of

client data. The organization does not share client's information without their consent to a third party. However, as per statutory requirement client's information is shared with the credit bureaus and the regulatory bodies (if necessary). Otherwise, the information is kept in a locked compartment as a record or for future use for loan purpose only.

Mechanism of Grievance Redressal

The mechanism of grievance redressal in the Company is quite simple and easy to understand by the borrowers or the members. The Company has constituted a Grievance Redressal Committee with representation from Board. The committee meets quarterly to discuss the various aspects of Grievance, feedback received. Apart from scheduled meetings the committee assembles for handling of urgent matters immediately.

In case a member or borrower is dissatisfied with any of the processes of the Company, he/she can give complaint to the grievance redressal team. A dedicated phone is there for receiving such complaints and it is printed on the back of each passbook and is communicated very clearly to the members during CGT, GRT, and disbursement time and centre meetings.

// Operational Performance

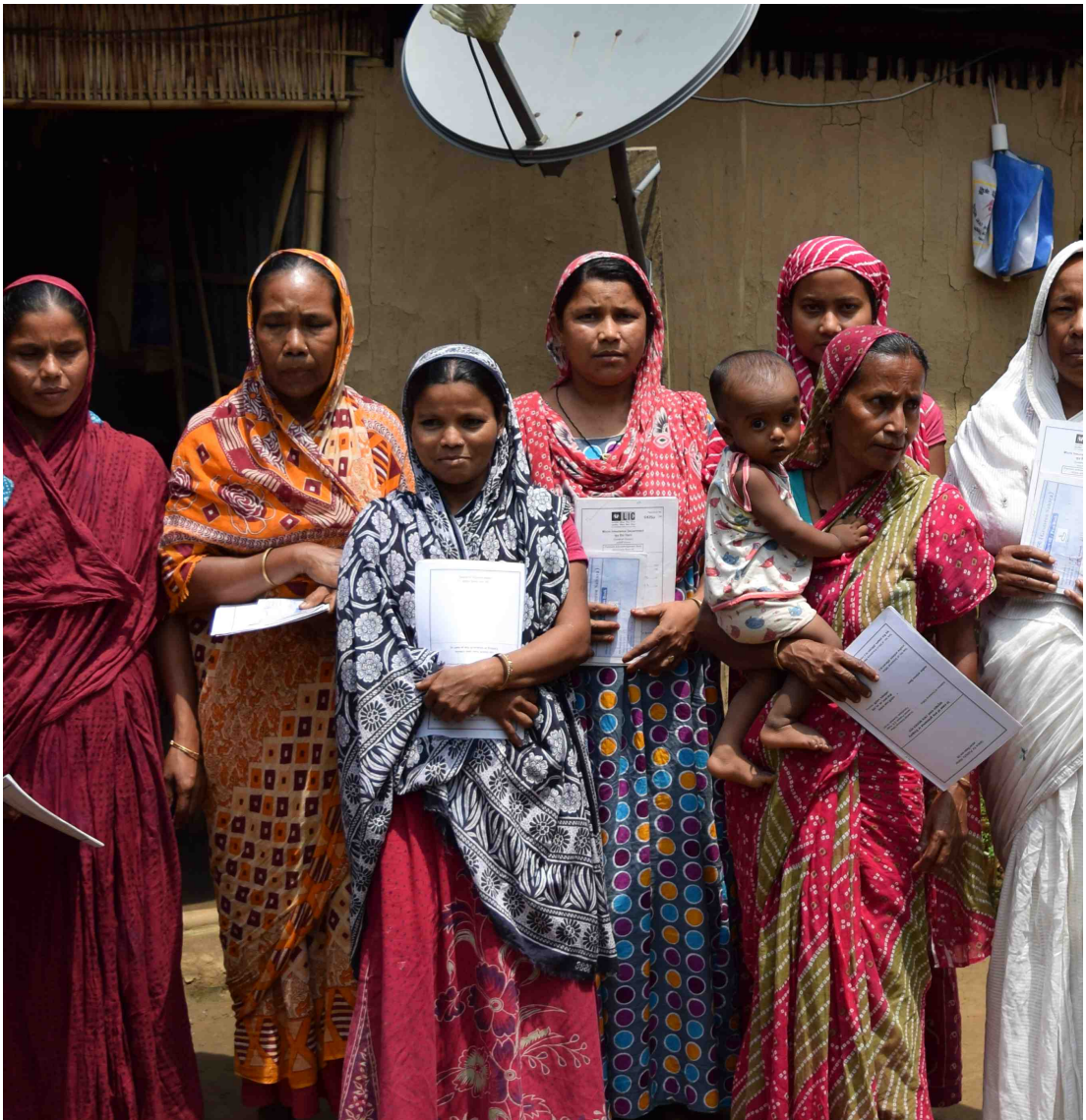


// Operational Performance

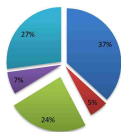
OPERATIONAL PERFORMANCE

Particulars	2012-13	2013-14	2014-15
Institutional Profile			
No of States	1	1	2
No of Districts	2	2	6
No of Villages	37	56	442
No of Branches	2	2	14
Particulars	2012-13	2013-14	2014-15
Scale and Outreach			
No of Groups	74	180	1533
No of Active Groups	74	180	1533
No of Members	892	2274	15110
No of Active Borrowers	888	2087	9968
No of Female Borrowers	888	2087	9968
Particulars	2012-13	2013-14	2014-15
Loan Portfolio			
Cumulative Disbursement for the FY (In Rs. Lakh)	116.89	253.83	886.60
Average Loan Size on Outstanding (In Rs.)	11541	10090	10245
Loan Outstanding (In Rs. Lakh)	102.48	210.58	1021.28
Particulars	2012-13	2013-14	2014-15
Productivity			
Portfolio Per Loan officer (In Rs. Lakh)	25.62	52.64	31.91
Active Borrower per Loan officer	222	522	312
Outstanding per Branch Office (In Rs. Lakh)	51.24	105.29	72.95
Particulars	2012-13	2013-14	2014-15
Sustainability/Viability			
Operational Self Sufficiency	126	138	105
Particulars	2012-13	2013-14	2014-15
Profitability			
Return on Assets	3.40	6.70	1.09
Return on Equity	3.36	6.72	2.27
Yield on Portfolio	15.05	24.53	22.48
Particulars	2012-13	2013-14	2014-15
Portfolio Quality			
Repayment Rate (In Percentage)	100	99.85	99.67
Portfolio at Risk > 30 days(In Percentage)	0	0.13	0.20
Portfolio at Risk > 60 days(In Percentage)	0	0.13	0.16

// Operational Performance

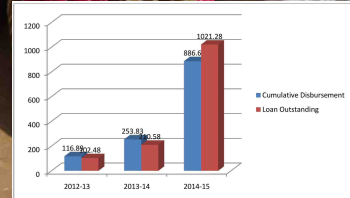
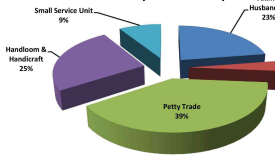


Communitywise Outstanding

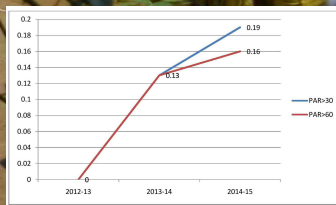
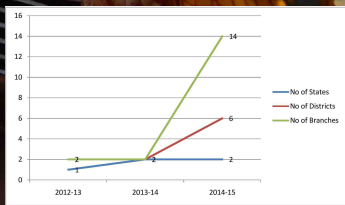
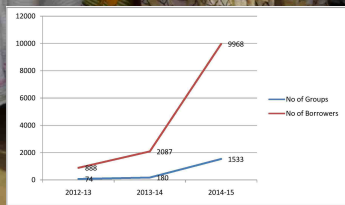


■ General
 ■ Minority
 ■ OBC
 ■ SC
 ■ ST

Activitywise Breakup



// Operational Performance

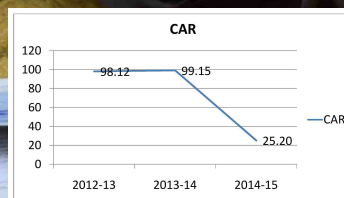
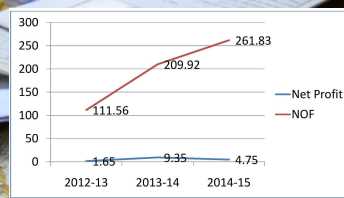
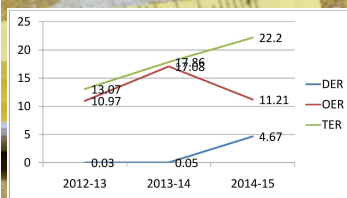


// Financial Performance

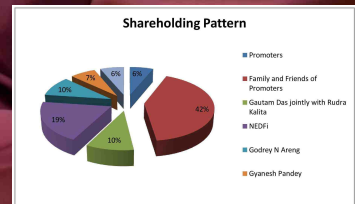
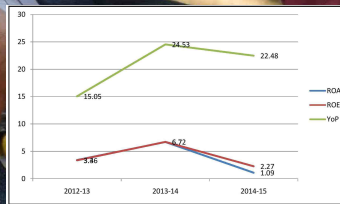
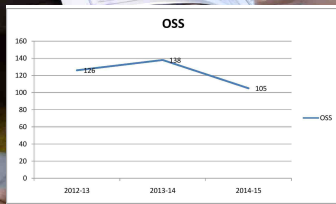


FINANCIAL PERFORMANCE

Particulars	2012-13	2013-14	2014-15
Financial Ratios			
Net profit (In Rs. Lakh)	1.65	9.35	4.75
Capital Adequacy Ratio	98.12	99.15	25.20
Net Owned Fund (In Rs. Lakh)	111.56	209.92	261.83
TOL/TNW	0.03	0.05	4.74
Debt Equity Ratio	0.03	0.05	4.67
Operational Expenses Ratio	10.97	17.08	11.21
Total Expenses ratio	13.07	17.86	22.20



// Financial Performance



// Case Study

Umeswari Barman
(Choudhuripara, Mana Basti, Boko, Assam)

Abstract:

The Company has been a source of hope for many poor and unbanked families of rural and urban Assam; thus, playing an objective part supporting their livelihood. It advocates a three phased agenda for development of the poor and the underserved. These are as follows:

Stability: by providing appropriate loans to the needy

Improvement: by encouraging appropriate utilization of the money

Sustainability: by continuing to improve in the long-run

Introduction:

Umeswari Barman is an inhabitant of Choudhuripara village, under Bongaon Development block of Kamrup district, Assam. She stays in a small cottage with her husband, son, and her sister-in-law. She has been associated with Grameen Sahara (presently GDFPL) since very beginning, and got training on tailoring cum embroidery in the year 2007.

The Challenge:

After the training she started her own tailor shop with two sewing machines without any external financial support. However, she was finding it very difficult to manage the day-to-day requirements of her family and her son's education. She was continuously thinking of procuring another sewing machine; however, she was financially weak to do so.

The Solution:

At that time she came to know about the micro finance programme of the organization from her neighbor and joined as a member of JLG. She initially availed a loan of Rupees 10,000 and bought a sewing machine. It enabled her to earn a satisfactory amount after paying off her regular loan installments. Later, she also invested on purchase of cloths at whole sale price and started making school uniforms, sarees, churidars, etc. Her earnings grew steadily. She even availed a micro insurance policy and has been paying her premiums regularly from her earnings. She expanded her tailoring shop with 4 sewing machines and now, she is able to meet her day-to-day needs easily. Her sincerity, hard work, and self confidence along with a helping hand from GDFPL has enabled her to reap success.

// Case Study

// Independent Auditor's Report



Rajendra Leela & Associates
CHARTERED ACCOUNTANTS

OPP. GOSWAMI BUILDING
G. S. ROAD, MANIPURI BASTI
GUWAHATI-781007 (ASSAM)
Office Phone : 0361-2739647
Mobile : 98640-61685
E-mail : rajghy@yahoo.co.in

Independent Auditor's Report

To the Members of
M/s. Grameen Development & Finance Private Limited
(Formerly known as Sharnarathi Leasing & Finance Private Limited)

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Grameen Development & Finance Private Limited** ('the Company'), which comprise the balance sheet as at 31 March 2015, 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 Standalone 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 standalone 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 standalone 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 standalone 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;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the 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 statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone 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 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and



- (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company does not have any pending litigations which would impact its financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amount required to be transferred, to the Investor Education and Protection Fund by the Company.

For RajendraLeela& Associates

Chartered Accountants

Firm Registration No. 322234E



R K Gupta
Proprietor
M. No. 56123



Place: Guwahati (Assam)

Date:

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

(i) (a) The Company has maintained proper 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 annually in a phased manner. 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.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals;

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

Accordingly, paragraph 3(iii)(a) and 3(iii)(b) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of services. The activities of the Company do not involve the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.

(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, wealth 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. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.



(b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.

(c) According to the information and explanations given to us, there was no amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.

(viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(ix) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.

(x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xi) In our opinion and according to the information and the explanations given to us, the term loans were applied for the purpose for which the loans were obtained.

(xii) In our opinion and according to the information and the explanations given to us, we report that no material fraud on or by the company were noticed or reported during the course of our audit.

For Rajendra Leela & Associates

Chartered Accountants

Firm Registration No. 322234E



R K Gupta
Proprietor
M. No. 56123



Place: Guwahati (Assam)

Date:

GRAMEEN DEVELOPMENT FINANCE PRIVATE LIMITED (FORMERLY KNOWN AS SHARNARATHI LEASING FINANCE PRIVATE LIMITED) Notes forming part of the financial statements

Note no. 1 Corporate Information

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. J65921AS1999PTC011755 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.

Note no. 2 Significant accounting policies

a) Basis of preparation of Financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialise.



GRAMEEN DEVELOPMENT FINANCE PRIVATE LIMITED(FORMERLY KNOWN AS SHARNATHI LEASING FINANCE PRIVATE LIMITED)Notes forming part of the financial statements

(c) Revenue recognition

Interest earned from lending activities is accounted on accrual basis.

(d) Other Income

Revenue in respect of interest on fixed deposit with banks is recognized on accrual basis at the rate at which such entitlement accrue.

(e) Employee benefits

The amount of employee benefits expected to be paid in exchange of services rendered by employees is recognized during the year when the employee renders the services. These benefits include salaries, bonus and compensated absences.

(f) Income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets.

(g) Earnings per share

Basic earnings per share are computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(h) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the 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. Contingent liabilities are disclosed in the Notes.



GRAMEEN DEVELOPMENT FINANCE PRIVATE LIMITED(FORMERLY KNOWN AS SHARNARTHI LEASING FINANCE PRIVATE LIMITED)Notes forming part of the financial statements

(i) Material events

Material events occurring after the Balance Sheet date are taken into cognizance.

(j) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(k) Depreciation

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated prescribed under Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over the irrespective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

The Management estimates the useful lives for the fixed assets as follows:

- i) Computer equipments - 3 years
- ii) Furniture & fixtures - 10 years
- iii) Software - 3 years



**GRAMEEN DEVELOPMENT & FINANCE PRIVATE LIMITED
(FORMERLY KNOWN AS SHARNARTHI LEASING & FINANCE PRIVATE LIMITED)**

Balance Sheet as at March 31, 2015

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
		Rupees	Rupees
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	25,600,000	20,600,000
(b) Reserves and surplus	4	921,611	446,192
2 Non-current liabilities			
(a) Long term borrowings	5	74,625,203	
(b) Long term provisions	6	195,675	104,393
3 Current liabilities			
(a) Short term borrowings	7	47,752,701	-
(a) Trade payable	8	90,812	390,090
(b) Other current liabilities	9	364	6,000
(c) Short-term provisions	10	1,181,695	516,042
TOTAL		150,368,061	22,062,717
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	189,245	75,242
(ii) Intangible assets	11	41,853	-
(b) Deferred tax assets	12	296,363	54,672
(c) Long-term loans and advances	13	19,567,475	10,439,278
2 Current assets			
(a) Inventories	14	108,597	-
(b) Cash and cash equivalents	15	46,456,594	830,869
(c) Short-term loans and advances	16	82,561,253	10,619,149
(d) Other current assets	17	1,146,681	43,507
TOTAL		150,368,061	22,062,717

Accompanying notes forming part of the financial statements 1 to 28

In terms of our report attached
For Rajendra Leela & Associates
 Chartered Accountants
 Firm Registration No: 322234E



R K Gupta

Proprietor


M. No. 56123

Place : Guwahati (Assam)

Date : 22-Jun-15



For Grameen Development & Finance Private Limited

Sarat Chandra Das

Managing Director

DIN-02849186

Place : Guwahati (Assam)

Date : 22-Jun-15

Dandi Ram Kalita

Director

DIN-06902163

GRAMEEN DEVELOPMENT & FINANCE PRIVATE LIMITED
(FORMERLY KNOWN AS SHARNARTHI LEASING & FINANCE PRIVATE LIMITED)


Statement of Profit and Loss for the year ended March 31, 2015

Particulars	Note No.	For the year ended	For the year ended
		March 31, 2015	March 31, 2014
		Rupees	Rupees
1 Revenue from operations	18	9,826,503	3,420,109
2 Other income	19	352,871	4,825
3 Total revenue (1+2)		10,179,374	3,424,934
4 Expenses			
(a) Employee benefits expenses	20	2,880,723	1,328,760
(b) Finance Cost	21	3,995,007	-
(c) Depreciation and amortization expenses	11	89,718	9,066
(d) Other expenses	22	2,392,668	706,934
Total expenses		9,358,116	2,044,760
5 Profit before tax (3-4)		821,258	1,380,174
6 Tax expense:			
Current tax expense for the year		588,250	509,850
Current tax expense / (reversal) for the prior period		-720	-34,778
Net current tax expenses		587,530	475,072
Deferred tax charges/ (credit) for current year		-241,691	-29,665
7 Profit for the year (5- 6)		475,419	934,766
9 Profit per share (face value of 10/- each):	24		
(a) Basic		0.23	0.78
(b) Diluted		0.23	0.78

Accompanying notes forming part of the financial 1 to 28

In terms of our report attached
For Rajendra Leela & Associates

Chartered Accountants
Firm Registration No: 322234E



R K Gupta
Proprietor
M. No. 56123

Place : Guwahati (Assam)
Date : 22-Jun-15



For Grameen Development & Finance Private Limited


Sarat Chadra Das
Managing Director
DIN-02849186


Dandi Ram Kalita
Director
DIN-06902163

Place : Guwahati (Assam)
Date : 22-Jun-15

GRAMEEN DEVELOPMENT & FINANCE PRIVATE LIMITED
(FORMERLY KNOWN AS SHARNARTHI LEASING & FINANCE PRIVATE LIMITED)
Cash Flow Statement for the year ended 31 March 2015
 (All amounts are in Indian Rupees)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax as per Statement of Profit and Loss	821,258	1,380,174
Adjustment for:		
Depreciation	89,718	9,066
ROC fee paid for increase in authorised share capital	112,500	62,500
Provisions against standard assets	810,703	108,098
Operating profit / (loss) before working capital changes	1,834,179	1,559,838
Movement in working capital		
Increase/ (decrease) in trade payables	(299,278)	346,607
Increase/ (decrease) in current liabilities	(5,636)	(7,000)
(Increase)/ decrease in loans and advances	(81,070,301)	(10,809,864)
(Increase) / decrease in other current assets	(1,107,594)	(31,087)
(Increase) / decrease in inventories	(108,597)	-
Cash generated/ (used in) operations	(80,757,227)	(8,941,506)
Tax paid	(636,878)	(185,874)
Net cash generated/ (used in) operating activities	(81,394,105)	(9,127,380)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(245,574)	(34,370)
Net cash generated/ (used in) investing activities	(245,574)	(34,370)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Receipt on issue of equity share capital	5,000,000	8,930,000
ROC fee paid for increase in authorised share capital	(112,500)	(62,500)
Increase in Term-loan	122,377,904	-
Net Cash generated from financing activities	127,265,404	8,867,500
D. Net changes in cash and cash equivalents (A)+(B)+(C)	45,625,725	(294,250)
Cash and cash equivalents as at the beginning of the year (refer to note 1 below)	830,869	1,125,119
Cash and cash equivalents as at the end of the year (refer to note 1 below)	46,456,594	830,869
Net increase/ (decrease) in cash and cash equivalent	45,625,725	(294,250)
Note:		
1. Reconciliation of Cash and cash equivalents with Balance sheet are as below :		
Cash and cash equivalents include:		
Cash in hand	38,681	47
Balance with scheduled banks:		
in current accounts	16,617,913	830,822
in deposit accounts having remaining maturity of more than three months	29,800,000	-
Cash and cash equivalent at end of the year	46,456,594	830,869
Add:-		
Fixed deposit more than three months	-	-
Cash and bank balances at the end of the year (refer note 15)	46,456,594	830,869

In terms of our report attached
For Rajendra Leela & Associates
 Chartered Accountants
 Firm Registration No: 322234E



R K Gupta
Proprietor
 M. No. 56123

Place: Guwahati (Assam)
 Dated: 17 July 2015



For Grameen Development & Finance Private Limited



Sarat Chandra Das **Dandi Ram Kalita**
Managing Director **Director**
 DIN-02849186 DIN-06902163

Place: Guwahati (Assam)
 Dated: 17 July 2015

GRAMEEN DEVELOPMENT & FINANCE PRIVATE LIMITED
(FORMERLY KNOWN AS SHARNARTHI LEASING & FINANCE PRIVATE LIMITED)

Notes forming part of the financial statements

Note no. 3 Share capital

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of shares	Rupees	Number of shares	Rupees
(a) Authorised				
Equity shares of Rs. 10 each	4,000,000	40,000,000	2,500,000	25,000,000
	4,000,000	40,000,000	2,500,000	25,000,000
(b) Issued, Subscribed and fully paid up				
Equity shares of ` Rs 10 each	2,560,000	25,600,000	2,060,000	20,600,000
Total	2,560,000	25,600,000	2,060,000	20,600,000

Refer to Notes (i) to (iii) below

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of shares	Rupees	Number of shares	Rupees
Equity shares				
Shares outstanding at the beginning of the year	2,060,000	20,600,000	1,167,000	11,670,000
Shares Issued during the year	500,000	5,000,000	893,000	8,930,000
Shares outstanding at the end of the year	2,560,000	25,600,000	2,060,000	20,600,000

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Godfrey N Areng	250,000	9.77	250,000	12.14
Laxmi Rabha Bora Jointly with Fazirun Nesa	-	-	405,000	19.66
Gautam Das Jointly with Rudra Kalita	248,000	9.69	248,000	12.04
Gyanesh Pandey	173,000	6.76	-	-
P & G Corporate Services Pvt. Ltd.	162,000	6.33	-	-
North Eastern Development Finance Corporation Ltd.	500,000	19.53	-	-

(iii) Right, preference and restrictions attached to shares

The company has only one class of shares carrying same rights and restrictions.



GRAMEEN DEVELOPMENT FINANCE PRIVATE LIMITED (FORMERLY KNOWN AS SHARNARTHI LEASING FINANCE PVT. LTD.) Notes forming part of the financial statements

Note no. 4 Reserves and surplus

Particulars	As at March 31, 2015	As at March 31, 2014
	Rupees	Rupees
A) Statutory Reserve #		
Opening balance	220,951	33,998
Add: Transfer during the year	95,084	186,953
	316,035	220,951
B) General Reserve		
Opening balance	450,482	450,482
Add: Transfer during the year	-	-
	450,482	450,482
C) Surplus/ (Deficit) in Statement of Profit and Loss		
Opening balance	(225,240)	(973,053)
Add: Profit for the year	475,419	934,766
Less: transfer to reserve under Section 45-IC of RBI Act, 1934	95,084	186,953
	155,095	(225,240)
Grand Total of Reserve & Surplus	921,611	446,192

Statutory reserve represents the reserve fund created under Section 45-IC of the Reserve Bank of India Act, 1934 (RBI Act). Under Section 45-IC, a company is required to transfer sum not less than twenty percent of its net profit every year. Accordingly, the Company has transferred twenty percent of net profits for the financial year to the statutory reserve. The statutory reserve can be utilised for the purposes as specified by the Reserve Bank of India from time to time.

Note no. 5 Long term borrowings

Particulars	As at March 31, 2015	As at March 31, 2014
	Rupees	Rupees
a) Secured		
i) Term Loan from Banks	8,701,650	-
ii) Term Loan from Others	65,923,553	-
Total	74,625,203	-



All these loan are secured against hypothecation of microfinance portfolio created out of the respective loan

GRAMEEN DEVELOPMENT FINANCE PRIVATE LIMITED (FORMERLY KNOWN AS SHARNARTHI LEASING FINANCE PVT. LTD.)Notes forming part of the financial statements

Note no. 6 Long term provisions

Particulars	As at March 31, 2015	As at March 31, 2014
	Rupees	Rupees
(a) Provisions againt standard assets	195,675	104,393
Total	195,675	104,392.78

Note no. 7 Short term borrowings

Particulars	As at March 31, 2015	As at March 31, 2014
	Rupees	Rupees
<u>a) Secured</u>		
i) Term Loan from Banks	5,026,065	-
ii) Term Loan from Others	42,726,636	-
Total	47,752,701	-

All these loan are secured against hypothecation of microfinance portfolio created out of the respective loan



GRAMEEN DEVELOPMENT FINANCE PRIVATE LIMITED (FORMERLY KNOWN AS SHARNARTHI LEASING FINANCE PVT. LTD.)Notes forming part of the financial statements

Note no. 8 Trade payable

Particulars	As at March 31, 2015	As at March 31, 2014
	Rupees	Rupees
(a) Audit fee payable	25,000	28,090
(b) Professional Fee Payable	12,000	12,000
(c) Expenses Payable	53,812	350,000
Total	90,812	390,090

Note no. 9 Other current liabilities

Particulars	As at March 31, 2015	As at March 31, 2014
	Rupees	Rupees
(a) Miscellaneous Liabilities	364	6,000
Total	364	6,000

Note no. 10 Short term provisions

Particulars	As at March 31, 2015	As at March 31, 2014
	Rupees	Rupees
<u>Provision-Others</u>		
(a) Income Tax Provisions#	356,082	409,850
(b) Provisions against standard assets	825,613	106,192
Total	1,181,695	516,041.59

#Net of Income Tax paid in advance



GRAMEEN DEVELOPMENT & FINANCE PRIVATE LIMITED
(FORMERLY KNOWN AS SHARNARTHI LEASING & FINANCE PRIVATE LIMITED)
 (Notes forming parts of financials)

Note 9: Fixed Assets

Assets	Gross Block			Depreciation			WDV	
	As on 1 April 2014	As on Addition / (Deletion)	As on 31 March 2015	As on 1 April 2014	For the Year 31 March 2015	As on 31 March 2015	As on 31 March 2014	As on 31 March 2015
A. Tangible								
Computer	38,400	121,170	159,570	6,100	53,444	59,544	32,300	100,026
Furniture & Fixtures	32,560	56,060	88,620	1,323	8,495	9,818	31,237	78,802
Printer	13,000	6,000	19,000	2,313	7,186	9,499	10,687	9,501
Sign Board	1,168	-	1,168	149	102	251	1,019	917
Total (A)	85,128	183,230	268,358	9,886	69,227	79,113	75,242	189,245
B. In-tangible								
Software	-	62,344	62,344	-	20,491	20,491	-	41,853
Total (A & B)	85,128	245,574	330,702	9,886	89,718	99,604	75,242	231,098
<i>Previous Year</i>	50,758	34,370	85,128	820	9,066	9,885.94	49,938	75,242



GRAMEEN DEVELOPMENT FINANCE PRIVATE LIMITED (FORMERLY KNOWN AS SHARNARTHI LEASING FINANCE PVT. LTD.) Notes forming part of the financial statements

Note no. 12 Deferred tax assets

Particulars	As at March 31, 2015	As at March 31, 2014
	Rupees	Rupees
Deferred tax assets on account of		
Provision against standard assets	315,578	65,071
Deferred tax asset (A)	315,578	65,070.57
Deferred tax liability on account of		
Difference between written down value of fixed assets as per Companies Act, 1956 and Income-tax Act, 1961 (B)	19,215	10,399
Deferred tax liability (B)	19,215	10,399
Net deferred tax asset/ (liability) (A-B)	296,363	54,672

Note no. 13 Long Term Loan & Advances

Particulars	As at March 31, 2015	As at March 31, 2014
	Rupees	Rupees
(a) Micro-finance loan	19,567,475	10,439,278
Total	19,567,475	10,439,278

Note no. 14 Inventories

Particulars	As at March 31, 2015	As at March 31, 2014
	Rupees	Rupees
(a) Others- Stationary Stock	108,597	-
Total	108,597	-



GRAMEEN DEVELOPMENT FINANCE PRIVATE LIMITED (FORMERLY KNOWN AS SHARNARTHI LEASING FINANCE PVT. LTD.)Notes forming part of the financial statements

Note no. 15 Cash and cash equivalents

Particulars	As at March 31, 2015	As at March 31, 2014
	Rupees	Rupees
(a) Cash in hand	38,681	47
(b) Balances with banks		
(i) In current accounts	16,617,913	830,822
(ii) In deposit accounts	29,800,000	-
Total	46,456,594	830,869
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	46,456,594	830,869

Note no. 16 Short Term Loan & Advances

Particulars	As at March 31, 2015	As at March 31, 2014
	Rupees	Rupees
(a) Micro-finance loan	82,561,253	10,619,149
Total	82,561,253	10,619,149

Note no. 17 Other current assets

Particulars	As at March 31, 2015	As at March 31, 2014
	Rupees	Rupees
(a) Interest accrued but not due	431,460	39,087
(b) Staff advances	141,853	-
(c) Income Tax Recoverable	-	4,420
(d) Work advances	573,368	-
Total	1,146,681	43,507



GRAMEEN DEVELOPMENT FINANCE PRIVATE LIMITED (FORMERLY KNOWN AS SHARNARTHI LEASING FINANCE PVT.
LTD.)Notes forming part of the financial statements

Note no. 18 Revenue from Operations

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	Rupees	Rupees
(a) Interest Received on Loan	8,939,903	3,166,279
(b) Processing Fee on Loan	886,600	253,830
Total	9,826,503	3,420,109

Note no. 19 Other Income

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	Rupees	Rupees
(a) Interest on Bank Deposits	352,871	4,825
Total	352,871	4,825

Note no. 20 Employee Benefit Expenses

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	Rupees	Rupees
(a) Salaries & Incentives	2,688,051	1,328,760
(b) Contribution to provident fund	134,368	-
(c) Staff welfare expenses	58,304	-
Total	2,880,723	1,328,760

Note no. 21 Finance Cost

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	Rupees	Rupees
<u>(a) Interest Expense</u>		
(i) Borrowings	3,020,207	-
(ii) Others - Interest on statutory dues	7,580	-
<u>(b) Other Borrowing cost</u>		
(i) Processing Fee	942,500	-
(ii) Payment to AFC	24,720	-
Total	3,995,007	-



GRAMEEN DEVELOPMENT FINANCE PRIVATE LIMITED (FORMERLY KNOWN AS SHARNARTHI LEASING FINANCE PVT. LTD.)Notes forming part of the financial statements

Note no. 22 Other expenses

Particulars	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
	Rupees	Rupees
(a) Travelling & Conveyance	191,827	27,020
(b) Professional & Consultancy Charges	193,155	11,500
(c) Payment to Auditors	64,820	45,731
(d) Telephone, Mobile & Internet	33,091	4,200
(e) Rent	211,448	138,000
(f) Provision against standard-assets	810,703	108,098
(g) Rates & Taxes	145,100	66,500
(h) Staff Welfare	-	5,740
(i) Printing & stationary	385,190	275,950
(j) Bank Charges	36,063	9,750
(k) Misc. Expenses	36,183	1,919
(l)Electricity Expenses	12,308	1,577
(m) Repairs and Maintainence	20,720	9,855
(n) Postage & Stamp	635	694
(o) TDS late fine	-	400
(p) Meeting expenses	37,644	-
(q) Books & periodicals	1,284	-
(r) Insurance	22,490	-
(s) Trade License renewal fee	17,750	-
(t) Credit Information membership fee	11,236	-
(u) Grading & Rating fee	149,561	-
(v) Website development expenses	4,000	-
(w) Consumables	7,460	-
Total	2,392,668	706,934

Note:

(i) Auditor remuneration comprises:

a. Statutory audit fee	25,000	28,090
b. Certification fee	39,820	5,515
c. Fee for Income tax matters		12,126
Total	64,820	45,731



GRAMEEN DEVELOPMENT FINANCE PRIVATE LIMITED (FORMERLY KNOWN AS SHARNARTHI LEASING FINANCE PRIVATE LIMITED)Notes forming part of the financial statements

Note no. 23- According to the records available with the Company, dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the year is Rs. Nil (previous year Rs. Nil). Accordingly, disclosures relating to amounts unpaid as the year end together with the interest paid/ payable as required under the said Act are not applicable. Further no interest has been paid or was payable to such parties under the said Act in the previous year.

Dues to Micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Note no. 24- Current-non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the Company's normal operating cycle;
 - (b) it is held primarily for the purpose of being traded;
 - (c) it is due to be settled within 12 months after the reporting date; or
 - (d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Note no. 25 Related Party Disclosures

A. Key Management Person

1. Sarat Chandra Das
2. Tapan Chandra Kalita (Upto 25 July 2014)
3. Dandi Ram Kalita (Since 30 June 2014)
4. Srijib Kumar Barua (Since 10 December 2014)

B. Related Party Transactions

Particulars	(Amount in Rupees)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Payment of Salary to Mr. Sarat Chandra Das	385,000	Nil
Contribution to Provident fund	31,438	Nil
Total	416,438	Nil



GRAMEEN DEVELOPMENT FINANCE PRIVATE LIMITED (FORMERLY KNOWN AS SHARNARTHI LEASING FINANCE PRIVATE LIMITED) Notes forming part of the financial statements

Note no. 26 Profit Per Share

(Amount in Rupees)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Earnings/(losses) per share		
Net profit / (loss) for the year	475,419	934,766
Weighted average number of equity shares	2,062,740	1,193,912
Effect of potential dilutive equity shares*	Nil	Nil
Weighted average number of equity shares in computing dilutive earning per share	2,062,740	1,193,912
Par value per share	10	10
<u>Basic and diluted earnings/(losses) per share (in Rs.)</u>	0.23	0.78

* Nil, as anti-dilutive potential shares in view of loss for the year.

Note no. 27 Previous year's figures

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

Note no. 28 Provision for standard and non-performing assets

The Company has created a provision against standard assets amounting to Rs. 1,021,287/- (previous year Rs. 1210,584) in accordance with the provisions of Non-Banking Financial Company -Micro Finance Institutions (Reserve Bank) Directions, 2011.

In terms of our report attached

For Rajendra Leela & Associates

Chartered Accountants
Firm Registration No: 322234E

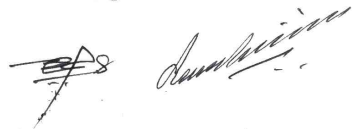


R K Gupta
Proprietor
M. No. 56123

Place: Guwahati (Assam)
Dated: 17 July 2015



For Grameen Development & Finance Private Limited



Sarat Chadra Das
Managing Director
DIN-02849186

Dandi Ram Kalita
Director
DIN-06902163

Place: Guwahati (Assam)
Dated: 17 July 2015

Schedule to the Balance Sheet of Grameen Development & Finance Private Limited (Earlier known as Sharnarathi Leasing & Finance Private Limited)

As required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(Rs. in Lakhs)

Particulars					
Liabilities side:		31 March 2015		31 March 2014	
(1)	Loans and advances availed by the NBFC's inclusive of interest accrued thereon but not paid:	Amount outstanding as at 31 March 2015	Amount overdue	Amount outstanding as at 31 March 2014	Amount overdue
	(a) Debentures : Secured	-	-	-	-
	: Unsecured	-	-	-	-
	(Other than falling within the meaning of public deposits)				
	(b) Deferred credits	-	-	-	-
	(c) Term loans	1,223.78	-	-	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial paper	-	-	-	-
	(f) Other loans (specify nature)	-	-	-	-

Particulars		
Assets side:	Amount outstanding as at 31 March 2015	Amount outstanding as at 31 March 2014
(2) Break-up of Loans and Advances including bills receivables net of provisions [other than those included in (4) below] :		
(a) Secured	-	-
(b) Unsecured	1,021.29	210.58
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
(4) Break-up of Investments:		
Current Investments :		
1. Quoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
2. Unquoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-



<i>Long Term investments:</i>			
1.	Quoted:		
(i) Shares: (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Others (Please specify)		-	-
2.	Unquoted:		
(i) Shares: (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Others (Please specify)		-	-

(5) Borrower group-wise classification of assets financed as in (2) and (3) above	Amount net of provisions			Amount net of provisions		
	31 March 2015			31 March 2014		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties (including associates)	-	-	-	-	-	-
2. Other than related parties	-	1,021.29	1,021.29	-	210.58	210.58
Total	-	1,021.29	1,021.29	-	210.58	210.58

* includes interest accrued and due

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	31 March 2015		31 March 2014	
	Market Value / Break up or fair value or NAV *	Book value (net of provisions)	Market Value / Break up or fair value or NAV *	Book value (net of provisions)
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	-	-	-	-
Total	-	-	-	-

(7) Other Information	31 March 2015	31 March 2014
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	-	-
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt	-	-



// Branch Offices

Chhaygaon

Samabai Building, Kulshi Road, Chhaygaon, Dist. Kamrup, Assam,
781124

Matia

Matia Bazar, Opposite Shiv Mandir, Dist. Goalpara, Assam, 783125

Garchuk

Tetelia, House No : 43, PO: Gotanagar, Guwahati, Kamrup (M),

781035

Azara

Near Lakhi mandir, Mirzapur, PO/PS: Azara, Guwahati, Assam, 781017

Beltola

Namghar Path, Rukminigaon, H No: 16, PO: Beltola, Guwahati,

Assam, 781028

Noonmati

Nepali Chowk, PO: Noonmati, Guwahati, Dist. Kamrup (M), 781020

Boko

Vill.Barpara , PO/PS: Boko, Dist. Kamrup, State: Assam, 781123

Lokhra

Near Don Bosco School, Sonaighuli, PO: Saukuchi, Guwahati, Assam,

781034

Dhupdhara

Near UBI, PO/PS: Dhupdhara, Dist. Goalpara, State: Assam, 783123

Shillong

Last Stop, PO: Laban, Dist. East Khasi Hills, Meghalaya, 793004

Loharghat

Near Punjab Natioanl Bank, PO: Loharghat, Dist. Kamrup, State:

Assam, 781120

Dudhnoi

Near LIC, Damra Road, PO/PS: Dudhnoi, Dist. Goalpara, 783123

Tikrikilla

Kathalbari, PO/PS: Tikrikilla, Dist. West Garo Hills, Meghalaya, 794109

Mendipathar

Bherbari, PO: Jira, Mendipathar, Dist. North Garo Hills, Meghalaya,

794112

// Partners

// Financial Institutions



// Banks



// Credit Information Bureaus



// Insurance

// System



“Man is the maker of his own
happiness.”

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