



**ROMESH KUMAR & CO.**  
CHARTERED ACCOUNTANTS

30/A, Unit - III, Bhubaneswar-751 001  
Tel. : (0674) 2393915  
E-mail : romeshkumar\_bbsr@yahoo.com

**OFFICE AT :**  
2, G.S. Market Complex, Jeypore  
Tel. : (06854) 233153

**INDEPENDENT AUDITOR'S REPORT**

To the Members of **G U FINANCIAL SERVICES PRIVATE LIMITED.**

**Report on the Audit of the Standalone Financial Statements**

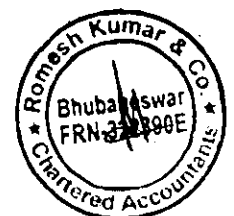
**Opinion**

We have audited the standalone financial statements of G U Financial Services Private Limited ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020 and the statement of Profit and Loss, statement of changes in equity and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March,31 2020, and profit/loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical



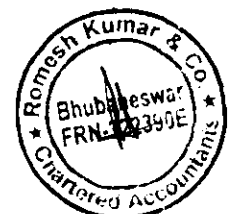
requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibility of Management for 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

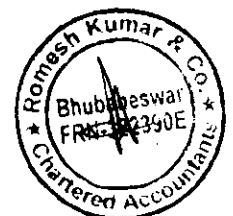
### **Report on Other Legal and Regulatory Requirements**

As required by the Companies ( Auditor's Report) Order, 2016 ( "the Order") , issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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.

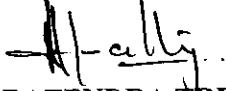
- (a) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (b) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (c) 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.
- (d) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is

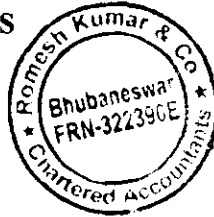


disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- (e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in the “Annexure ”.
- (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 position.
  - ii. The Company did not have any long –term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For ROMESH KUMAR & CO.**  
**CHARTERED ACCOUNTANTS**  
**F.R NO.322390E**

  
**BHARATENDRA TRIPATHY**  
**(Partner)**  
**M.NO.-057213**



Place: Bhubaneswar  
Date: 31.07.2020  
UDIN- 20057213AAAAAQ7532

## **Annexure to the Independent Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **G U FINANCIAL SERVICES PRIVATE LIMITED** ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.



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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

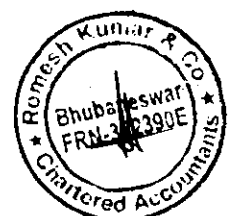
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components



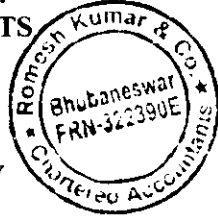
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CHARTERED ACCOUNTANTS

of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For ROMESH KUMAR & CO.  
CHARTERED ACCOUNTANTS  
F.R NO.322390E

*Bharatendra Tripathy*

**BHARATENDRA TRIPATHY**  
(Partner)  
M.NO.057213



Place: Bhubaneswar

Date: 31.07.2020

UDIN-20057213AAAAAQ7532

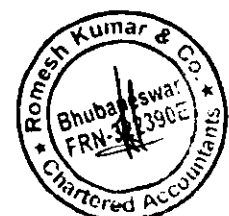
**Appendix to the Independent Auditor's Report**

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

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, We are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with





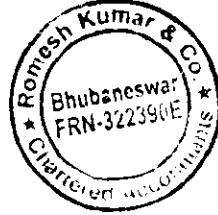
**ROMESH KUMAR & CO.**  
CHARTERED ACCOUNTANTS

them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For **ROMESH KUMAR & CO.**  
**CHARTERED ACCOUNTANTS**  
F.R NO.322390E

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**BHARATENDRA TRIPATHY**  
(Partner)  
M.NO.057213



Place: Bhubaneswar

Date: 31.07.2020

UDIN- 20057213AAAAAQ7532

**G U FINANCIAL SERVICES (P) LTD.**  
**Kalyani Bhawan, Plot No.:606/2112, Bharat Villa,**  
**At: Rudrapur, Po.: Naharkanta, Bhubaneswar-752101.**

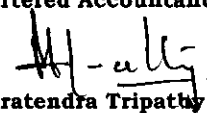
**BALANCE SHEET AS ON 31st MARCH 2020**

<u>PARTICULARS</u>	<u>NOTES</u>	<u>Amount(Rs)</u> <u>2019-20</u>	<u>Amount(Rs)</u> <u>2018-19</u>
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 SHAREHOLDERS' FUNDS</b>			
A) Share Capital	<b>C</b>	7,31,52,500.00	6,21,52,500.00
B) Reserves and Surplus	<b>D</b>	7,04,08,623.00	5,24,49,843.00
<b>2 NON-CURRENT LIABILITIES</b>			
A) Long -Term Borrowings	<b>E</b>	77,44,93,183.94	66,50,01,986.77
B) Deferred Tax Liabilities (Net)		-	1,24,524.68
<b>3 CURRENT LIABILITIES</b>			
A) Short Term Borrowings	<b>F</b>	10,42,65,857.00	2,47,99,007.00
B) Current Liabilities	<b>G</b>	1,61,75,543.37	1,25,48,944.10
C) Short Term Provisions	<b>I</b>	84,97,484.00	72,33,580.00
<b>TOTAL</b>		<u>1,04,69,93,191.00</u>	<u>82,43,10,386.00</u>
<b>II. ASSETS</b>			
<b>1 A) FIXED ASSETS</b>			
(i) Tangible Assets	<b>H</b>	27,00,586.78	31,24,878.19
(ii) Intangible Assets	<b>H</b>	13,80,623.69	
B) Non- Current Investment		-	-
C) Deferred Tax Assets (Net)		2,24,128.10	-
D) Long Term Loans and Advances	<b>J</b>	58,73,91,382.00	41,49,02,546.00
<b>2 CURRENT ASSETS</b>			
A) Short Term Loans and Advances	<b>K</b>	26,23,57,102.00	26,89,04,467.00
B) Current Investment		-	-
C) Trade Receivables		-	-
D) Cash and Cash Equivalents	<b>L</b>	8,82,08,669.00	6,17,18,583.00
E) Other Current Assets	<b>M</b>	10,47,30,698.00	7,56,59,911.00
<b>TOTAL</b>		<u>1,04,69,93,191.00</u>	<u>82,43,10,386.00</u>

As per our Audit report of even date

for Romesh Kumar & Co.

Chartered Accountants

  
 Bharatendra Tripathy  
 (Partner)


M. No.: 057213

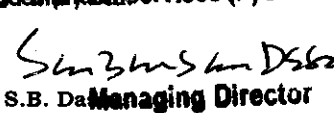
Date: 31.07.2020

Place: Bhubaneswar



GU Financial Services (P) Ltd. GU Financial Services (P) Ltd. GU Financial Services (P) Ltd.

  
 (Chairman)

  
 S.B. Das  
 (Managing Director)

For G U Finance Services (P) Ltd

  
 P. Nayak  
 (Company Secretary)

**G U FINANCIAL SERVICES (P) LTD.**  
**Kalyani Bhawan, Plot No.:606/2112, Bharat Villa,**  
**At: Rudrapur, Po.: Naharkanta, Bhubaneswar-752101.**


**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2020**

<b><u>PARTICULARS</u></b>	<b><u>Note</u></b>	<b><u>Amount(Rs)</u></b>	<b><u>Amount(Rs)</u></b>
	<b><u>No.</u></b>	<b><u>2019-20</u></b>	<b><u>2018-19</u></b>
<b>1 REVENUE FROM OPERATION</b>	<b>N</b>	21,42,48,011.00	17,38,58,988.00
<b>2 OTHER INCOME</b>	<b>O</b>	61,97,821.00	61,09,268.00
<b>TOTAL REVENUE</b>		<b>22,04,45,832.00</b>	<b>17,99,68,256.00</b>
<b>3 EXPENSES</b>			
Employee Benefit Expenses	<b>P</b>	5,14,67,607.00	4,59,43,693.00
Finance Costs	<b>Q</b>	11,72,17,262.00	9,25,46,866.00
Depreciation	<b>H</b>	13,74,383.00	9,77,228.44
Other Expenses	<b>R</b>	2,54,72,220.00	1,82,12,000.00
<b>TOTAL EXPENSES</b>		<b>19,55,31,472.00</b>	<b>15,76,79,787.44</b>
<b>4 PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX ( 2-3)</b>		2,49,14,360.00	2,22,88,468.56
<b>5 EXCEPTIONAL ITEMS</b>		-	-
<b>6 PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (4-5)</b>		2,49,14,360.00	2,22,88,468.56
<b>7 EXTRAORDINARY ITEMS</b>		-	1,05,749.00
<b>8 PROFIT BEFORE TAX (6-7)</b>		2,49,14,360.00	2,21,82,719.56
<b>9 TAX EXPENSES</b>			
CURRENT TAX		73,04,233.00	61,97,519.00
DEFERRED TAX LIABILITIES/(ASSETS)		(3,48,652.78)	(21,802.32)
INTEREST ON PY TAX		-	-
<b>10 PROFIT (LOSS) FOR THE PERIOD (8-9)</b>		1,79,58,779.78	1,60,07,003.00
<b>11 TRANSFER TO STATUTORY RESERVE</b>		35,22,025.00	31,97,040.00
<b>12 BALANCE CARRIED TO BALANCE SHEET(10-11)</b>		1,44,36,754.78	1,28,09,963.00
<b>13 EARNING PER SHARE</b>			
BASIC		2.89	2.58
DILUTED		2.89	2.58

As per our Audit report of even date

for Romesh Kumar & Co.

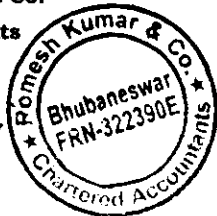
Chartered Accountants

  
 Bharatendra Tripathy  
 (Partner)

M. No.: 057213

Date: 31.07.2020

Place: Bhubaneswar



GU Financial Services (P) Ltd.

  
 G. G. Chaitman  
 (Chairman)

GU Financial Services (P) Ltd.

  
 S. B. Das  
 Managing Director

For G U Finance Services (P) Ltd

  
 P. Nayak  
 Company Secretary

**G U FINANCIAL SERVICES PRIVATE LIMITED**  
**Kalyani Bhawan, Plot No.:606/2112, Bharat Villa,**  
**At: Rudrapur, Po.: Naharkanta, Bhubaneswar-752101.**

**CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2019-20**

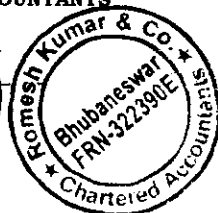
PARTICULAR	AMOUNT(Rs.)	
	2019-20	2018-19
<b>A Cash Flow from Operating Activities</b>		
Revenue from Operation	214,248,011.00	173,858,988.00
Other Income	6,197,821.00	6,109,268.00
Commission Receivables	-	-
LPF Received	-	-
Income/Receipts Accrued	(4,248,039.27)	(4,170,915.73)
Employee Benefits	(48,807,791.00)	(44,470,712.00)
Finance Cost	(117,217,262.00)	(92,546,866.00)
Other Expenses	(21,231,629.00)	(13,809,796.00)
Other Payments	(6,290,124.00)	(576,895.00)
GST	150,459.90	(223,500.10)
CENVAT Credit	-	-
Receivables from YBL	-	97,319.00
Premium (Paid)/Payable for Insurance	(31,126.57)	(875,541.80)
Insurance Claim Receivable	-	-
PSIG Literacy Programme	-	-
SIDBI PSIG Programme	-	-
Income Tax Paid	(11,311,203.00)	(6,553,823.00)
<b>Net Cash From Operating System (A)</b>	<b>11,459,117.00</b>	<b>16,837,525.00</b>
<b>B Cash Flow From Investing Activities</b>		
Increase in share capital	11,000,000.00	10,100,000.00
Purchase of fixed assets	(2,330,716.27)	(2,061,305.63)
Security Deposit	(78,018.00)	(209,500.00)
Term Deposit	(19,007,640.00)	(10,104,827.00)
Fixed Deposit	-	-
Redemption of Fixed Deposit	3,927,084.00	823,916.00
Redemption of Term Deposit	-	3,000,000.00
<b>Net Cash From Investing Activities (B)</b>	<b>(6,489,290.27)</b>	<b>1,548,283.37</b>
<b>C Cash Flow From Financing Activities</b>		
Repayment of Short term borrowing	-	(23,950,986.00)
Securitization Portfolio	-	(9,009,057.00)
(Increase)/ Decrease in Loan disbursement (Own Portfolio)	(167,437,788.00)	(319,947,536.00)
Proceed of Long term borrowing	109,491,197.17	325,999,674.77
Proceed of Short term borrowing	79,466,850.00	-
<b>Net Cash Used In Financing Activities (C)</b>	<b>21,520,259.17</b>	<b>(26,907,904.23)</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>26,490,085.90</b>	<b>(8,522,095.86)</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>61,718,583.00</b>	<b>70,240,679.00</b>
<b>Cash and Cash Equivalents at end of Period</b>	<b>88,208,669.00</b>	<b>61,718,583.00</b>

As per our separate report of even date.

for ROMESH KUMAR & CO.  
 CHARTERED ACCOUNTANTS  
 FRN:322390E

B. Tripathy  
 (Partner)  
 M. No.:057213

Date: 31.07.2020  
 Place: Bhubaneswar



GU Financial Services (P) Ltd. GU Financial Services (P) Ltd.  
 for GU Financial Services (P) Ltd.

*[Signature]*  
 P Nayak  
 (Chairman)

*[Signature]*  
 S.B. Das  
 Managing Director  
 (Mg. Director)

For GU Finance Services (P) Ltd.

P Nayak  
 (Company Secretary)

*[Signature]*  
 Company Secretary

**G U FINANCIAL SERVICES (P) LTD.**  
**Kalyani Bhawan, Plot No.:606/2112, Bharat Villa,**  
**At: Rudrapur, Po.: Naharkanta, Bhubaneswar-752101.**

Note No.	PARTICULARS	Amount(Rs) 2019-20	Amount(Rs) 2018-19
<b>C SHARE CAPITAL</b>			
	Authorized (10000000 Equity Share of Rs.10.00 each)	10,00,00,000.00	10,00,00,000.00
	Issued (7315250 Equity Share of Rs.10.00 each)	7,31,52,500.00	6,21,52,500.00
	Subscribed & Fully Paid Up	7,31,52,500.00	6,21,52,500.00
	Subscribed & not Fully Paid Up	-	-
		<u>7,31,52,500.00</u>	<u>6,21,52,500.00</u>

The Company has only one class of Share i.e. Equity Share having Par Value of Rs.10/- Each Equity Shareholder is entitled for one vote per share. The distribution of Dividend will be in the proportion of Equity Share held by the shareholder.

The reconciliation of the number of Equity Share outstanding and the amount of share capital as at:

Particulars	31.03.2020		31.03.2019	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Share Outstanding at the beginning of the year	6215250	6,21,52,500.00	5205250	5,20,52,500.00
Share Issued During The Year	1100000	1,10,00,000.00	1010000	1,01,00,000.00
Share Brought Back during the year	-	-	-	-
Share Outstanding at The end of the year	<b>7315250</b>	<b>7,31,52,500.00</b>	<b>6215250</b>	<b>6,21,52,500.00</b>

Detail of Equity Shareholder Holding more than 5% of shares in the Company

Name(s)	As at 31.03.2020		As at 31.03.2019	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Govind Chandra Dash	2411150	2,41,11,500.00	2211150	2,21,11,500.00
Govind Chandra Nayak	434100	43,41,000.00	434100	43,41,000.00
Smt. Basantilata Dash	1570000	1,57,00,000.00	1510000	1,51,00,000.00
Santosh Kumar Mishra	550000	55,00,000.00	550000	55,00,000.00
Surakshya Staff Welfare Trust	600000	60,00,000.00	-	-

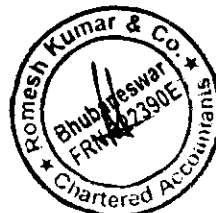
**D RESERVE AND SURPLUS**

Statutory Reserve (u/s 45-IC of RBI Act 1934)	a	1,73,51,071.00	1,38,29,046.00
Surplus/(Deficit) up to Previous Year in Profit/Loss		3,86,20,797.00	2,58,10,834.00
Add: Surplus for the Current Year		1,44,36,754.78	1,28,09,963.32
	b	<u>5,30,57,552.00</u>	<u>3,86,20,797.00</u>
	a+b	<u>7,04,08,623.00</u>	<u>5,24,49,843.00</u>

**E LONG TERM BORROWING**

**SECURED (hypothecated against book debts from the borrowing)**

MAS Financial Services Ltd.	1,87,50,000.00	18,18,75,008.00
IDFC First Bank Ltd.	18,83,11,687.00	18,03,03,029.00
Northern Arc Capital Ltd.	13,16,71,467.00	14,25,37,984.00
NABFINS Ltd.	2,29,16,664.00	3,74,00,006.00
Habitat Micro Build India Housing Finance Co. Pvt. Ltd.	3,77,15,513.61	3,82,69,825.77
Jain Sons Finlease Ltd. (Intellegrow)	-	1,70,82,178.00



Incred Financial Services Ltd.	1,85,58,510.00	1,75,33,956.00
Ananya Finance for Inclusive Growth Pvt. Ltd.	3,87,50,003.00	-
Bandhan Bank Limited	5,71,42,858.00	-
Eclear Leasing & Finance Pvt. Ltd.	1,79,92,137.00	-
Electronic Finance Limited	3,46,92,352.00	-
Hinduja Leyland Finance Ltd.	3,85,81,614.00	-
Kashi Visheanatha Vidya Samasthe	2,46,32,149.00	-
Samunnati Financial Intermediation and Services Pvt. Ltd.	4,89,44,896.00	-
Nabkisan Finance Limited	4,58,33,333.33	-

**UNSECURED**

Unsecured Term Loan (IDFC Fir Bank Ltd.) (treated as Tier II capital)	5,00,00,000.00	5,00,00,000.00
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77,44,93,183.94	66,50,01,986.77
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**F SHORT TERM BORROWING**

**(hypothecated against book debts from the borrowing)**

MAS Financial Services Ltd.	6,43,75,016.00	1,87,50,005.00
Mahindra & Mahindra Financial Services Ltd.	-	35,68,596.00
Jain Sons Finlease Ltd. (Intellegrow)	37,92,087.00	24,80,406.00
Habitat Micro Build India Housing Finance Co. Pvt. Ltd.	71,16,989.00	-
Northern Arc Capital Ltd.	2,31,48,426.00	-
NABFINS Ltd.	58,33,339.00	-

10,42,65,857.00	2,47,99,007.00
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**G CURRENT LIABILITIES**

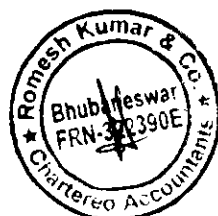
Insurance Premium Payable	66,77,339.57	66,96,918.20
Statutory Liability		
ESI	71,517.00	81,400.00
EPF	3,31,618.00	1,89,344.00
EPFO Admin Expenses	13,778.00	7,842.00
Audit Fee	5,00,000.00	5,40,000.00
Director Remuneration	2,81,600.00	2,53,800.00
Salary Payable	37,16,415.00	27,11,423.00
Liabilities for Expenses	3,24,098.00	3,24,548.00
House rent payable	4,43,830.00	3,07,575.00
TDS payable	99,689.00	91,500.00
Equifax payable	18,366.00	19,961.00
Perquisite payable	-	1,00,000.00
Staff bonus payable	13,26,912.00	8,83,422.00
Professional tax payable	16,575.00	15,175.00
Gratuity payable	11,46,307.00	
GST		
Odisha: CGST	37,338.53	46,364.51
IGST	3,97,745.86	2,33,306.88
SGST	37,338.53	46,364.51
Chhattisgarh: CGST	2,036.44	
SGST	2,036.44	
Travelling expenses	50,000.00	
Consultancy fees payable	3,38,996.00	
Staff fuel expenses payable	1,71,307.00	
Staff communication payable	39,800.00	
Branch expenses payable	1,30,900.00	

1,61,75,543.37	1,25,48,944.10
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**I SHORT TERM PROVISION**

Provision for Income Tax	-	3,95,510.00
Provision for Financial Assets	84,97,484.00	68,38,070.00

84,97,484.00	72,33,580.00
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**J LONG TERM LOAN AND ADVANCE**

(Unsecured Considered Good, Subject to Notes to the Accounts)

Loans Outstanding from SHGs	92,89,61,111.00	65,26,44,090.00
Less: Overdue for more than 365 days	14,96,317.00	
Less: Arohan Financial Services Pvt. Ltd. Portfolio (Being Under SP Model)	28,23,68,941.00	23,77,41,544.00
Less: BELSTAR Microfinance Ltd.	3,50,37,743.00	-
Less: SAMUNNATI Financial Intermediation and Services Pvt. Ltd.	2,26,66,728.00	-
	<u>58,73,91,382.00</u>	<u>41,49,02,546.00</u>

**K SHORT TERM LOAN AND ADVANCE**

(Unsecured Considered Good, Subject to Notes to the Accounts)

Loans Outstanding from SHGs	38,89,32,381.00	46,76,11,940.00
Less: Arohan Financial Services Pvt. Ltd. Portfolio (Being Under SP Model)	12,64,50,265.00	19,87,07,473.00
Less: BELSTAR Microfinance Ltd.	1,25,014.00	-
	<u>26,23,57,102.00</u>	<u>26,89,04,467.00</u>

**L CASH AND CASH EQUIVALENT**

Cash At Bank in Current Account	3,55,96,165.77	4,00,91,421.83
Add: Deposit in SBI Mutual Fund (Liquid Fund regular growth) Own Balance at Bank	5,00,00,000.00	2,00,00,000.00
	8,55,96,165.77	6,00,91,421.83
Cash on Hand (As certified by Management)	26,12,503.00	16,27,161.50
	<u>8,82,08,669.00</u>	<u>6,17,18,583.00</u>

**M OTHER CURRENT ASSETS**

Interest Accrued but not Due from SHG Member	1,16,57,401.00	84,99,991.00
Interest Accrued but not Due From Fixed Deposit	42,74,055.00	31,83,425.73
Service Tax	4,28,606.00	4,28,606.00
Receivable from MAS Financial Services Ltd.	-	90,000.00
Receivable from Jainsons Finlease Ltd.	25,441.00	1,01,013.00
Receivable from Incred Financial Services Ltd.	54,480.00	82,197.00
Receivable (Principal) from SHG Members	29,08,984.00	9,25,035.00
Insurance Claim Settlement	1,89,550.94	4,26,961.00
Income tax Refund(AY 18-19)	5,15,202.00	5,15,202.00
Income tax Refund(AY 19-20)	4,51,814.00	4,51,814.00
Income tax refund(AY 20-21)	6,86,067.00	-
Income tax paid under protest	27,54,661.00	-
TDS receivable	1,70,732.00	-
Security Deposit	5,46,518.00	4,68,500.00
Work advance	35,400.00	-
Salary Advance	10,32,248.00	1,56,253.00
Staff Loan	21,68,058.00	-
Staff loan due but not collected	81,342.00	-
Deferred Revenue expenditure	5,00,000.00	-
Commission receivable from Belstar Microfinance Ltd.	1,48,669.00	-
Grant receivable from Nabkisan Finance Ltd.	6,90,000.00	-
Term Deposit for Arohan Financial Services Pvt. Ltd.	1,20,50,000.00	1,30,50,000.00
Term Deposit for Northern Arc Capital Ltd.	25,94,675.00	77,13,969.00
Term Deposit for NABFINS Ltd.	45,00,000.00	40,00,000.00
Term Deposit for Jainsons Finlease Ltd. (Intellegrow)	12,61,860.00	22,61,860.00
Term Deposit for Mahindra & Mahindra Financial Services Ltd.	-	8,00,000.00
Fixed Deposit with MAS Financial Services Ltd.	2,64,99,000.00	3,04,26,084.00
Term Deposit with Incred Financial Services. Ltd.	10,00,000.00	20,79,000.00
Term Deposit for Ananya Finance for Inclusive Growth Pvt. Ltd.	50,00,000.00	-
Term Deposit for Bandhan Bank Ltd.	60,00,000.00	-
Term Deposit for Belstar Microfinance Ltd.	10,00,000.00	-
Term Deposit for Eclear Leasing and Finance Pvt. Ltd.	20,00,000.00	-



Term Deposit for Electronica Finance Ltd.	25,05,934.00	
Term Deposit for Nabkisan Finance Ltd.	50,00,000.00	
Loan to Surakhya Staff Welfare Trust	60,00,000.00	
	<u>10,47,30,698.00</u>	<u>7,56,59,911.00</u>
<b><u>N REVENUE FROM OPERATION</u></b>		
Interest from SHG	17,37,84,381.00	13,83,92,345.00
LPF Collected for SHG	82,59,030.00	79,00,453.00
Commission from SP & BC	3,22,04,600.00	2,75,66,190.00
	<u>21,42,48,011.00</u>	<u>17,38,58,988.00</u>
<b><u>O OTHER INCOME</u></b>		
Interest On Term Deposit	19,55,599.00	26,49,900.84
Interest Accrued but not Due on Term Deposit	20,06,792.00	19,03,433.00
Other income	22,35,429.82	15,55,934.46
	<u>61,97,821.00</u>	<u>61,09,268.00</u>
<b><u>P EMPLOYEE BENEFIT EXPENSES</u></b>		
Salary and Wages	3,86,08,931.00	3,51,42,612.00
Director Remuneration	47,45,000.00	33,35,000.00
Perquisites	-	11,70,000.00
Sitting Fees	1,50,000.00	1,30,000.00
Employer Contribution to EPF & ESI	44,60,547.00	34,17,519.00
Staff Welfare Expenses	1,35,473.00	1,76,592.00
Company contribution for psig project on salary	-	2,00,000.00
Interest paid to ESIC	24,922.00	-
Staff bonus	12,46,427.00	8,67,407.00
Gratuity expenses	20,96,307.00	15,04,563.00
	<u>5,14,67,607.00</u>	<u>4,59,43,693.00</u>
<b><u>Q FINANCE COSTS</u></b>		
Interest	11,14,54,037.00	8,74,06,136.17
Loan Processing Fee	57,63,225.00	51,40,730.00
	<u>11,72,17,262.00</u>	<u>9,25,46,866.00</u>
<b><u>R OTHER EXPENSES</u></b>		
Administrative Expenses	1,48,315.00	1,06,237.00
Advertisement expenses	26,040.00	-
Bank Charges	2,12,366.13	4,92,029.54
Consultancy fee	34,74,711.00	2,72,000.00
Electricity	3,21,929.00	2,56,481.00
MCA Filing Fee	1,75,394.98	42,888.56
Insurance Premium (Cash Carrying)	2,48,958.00	1,60,162.00
Staff Training	72,987.00	88,714.80
Staff kits	-	88,756.00
Staff insurance	2,26,285.00	1,90,337.12
Staff vehicle maintenance	6,34,051.00	5,76,467.00
Service tax	2,63,089.00	-
Membership Fee	7,88,773.97	1,55,000.00
Miscellaneous	8,85,814.76	7,94,115.53
News paper and Periodicals	67,848.00	55,130.00
New branch setup expenses	1,40,738.00	1,48,294.00
Office Rent	54,04,422.00	35,97,054.00
Preliminary Expenses Written Off	-	1,76,250.00
Printing and Stationery	7,16,439.80	10,53,620.98
Payment to Auditors	5,00,000.00	5,00,000.00

As Auditor





Due diligence expenses	15,000.00	-
AMC for Software Renewal	8,80,555.16	4,95,508.00
Repair and Maintenance	1,89,388.60	1,27,645.08
Telephone/ Communication Expenses	7,32,481.51	6,50,813.54
Traveling and Conveyance	49,09,777.00	33,37,985.00
Computer Stationary	1,60,323.20	1,10,760.08
Equifax Client verification Expenses	1,24,191.28	2,74,628.00
Professional Tax	2,500.00	2,500.00
Meeting Expenses	2,39,230.00	1,88,667.00
Credit Rating Exp	3,20,000.00	3,15,000.00
Fani relief expenses	3,34,880.00	-
Odisha Chief Minister relief fund a/c	1,00,000.00	-
Provisioning for Loan Loss reserve(as per RBI guidelines)	16,59,414.00	39,54,956.00
Bad debt	14,96,317.00	-
	<u>2,54,72,220.00</u>	<u>1,82,12,000.00</u>

for Romesh Kumar & Co.  
Chartered Accountants

*Bharatendra Tripathy*  
Bharatendra Tripathy  
(Partner)  
M. No.:057213



Date: 31.07.2020  
Place: Bhubaneswar

GU Financial Services (P) Ltd. GU Financial Services (P) Ltd.

*Govind Chandra*  
Govind Chandra  
(Chairman)  
*S. B. Dash*  
S. B. Dash  
(Managing Director)

For G U Finance Services (P) Ltd

*P Nayak*  
P Nayak  
(Company Secretary)

**FIXED ASSETS**

**Schedule H**

	Computer/ Mobile Equip.	Furniture & Fixture	Bi-Cycle	Stabilizer/ Electric Equip	GAS	Software (Intangibles)	Projector	TOTAL
Opening Balance	21,78,219.69	11,38,264.46	5,650.00	2,19,906.12	20,140.00	11,29,948.16	3,89,593.20	50,81,721.63
Additional	6,58,123.02	5,72,272.17	-	43,126.08	7,188.00	10,50,000.00	-	23,30,709.27
Sub Total	28,36,342.71	17,10,536.63	5,650.00	2,63,032.20	27,328.00	21,79,948.16	3,89,593.20	74,12,430.90
Less: Disposal	-	-	-	-	-	-	-	-
<b>Gross Block</b>	28,36,342.71	17,10,536.63	5,650.00	2,63,032.20	27,328.00	21,79,948.16	3,89,593.20	74,12,430.90
Depreciation upto PY	12,43,270.87	1,83,095.17	4,576.00	47,153.08	4,508.19	4,35,728.39	38,511.74	19,56,843.44
Depreciation For CFY	8,21,532.89	1,38,597.16	537.00	19,514.23	2,135.35	3,63,596.08	28,470.28	13,74,382.99
Accumulated Depreciation	20,64,803.76	3,21,692.33	5,113.00	66,667.31	6,643.54	7,99,324.47	66,982.02	33,31,226.43
<b>Net Carrying Value</b>	7,71,538.95	13,88,844.30	537.00	1,96,364.89	20,684.46	13,80,623.69	3,22,611.18	40,81,204.47
<b>Previous Year</b>	9,34,948.82	9,55,169.29	1,074.00	1,72,753.04	15,631.81	6,94,219.77	3,51,081.46	31,24,878.19

\*CFY=Current Financial Year



## NOTES ON ACCOUNTS

### (A) SIGNIFICANT ACCOUNTING POLICIES.

#### 1. Accounting Convention

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India including Accounting Standards notified by the Government of India/issued by the Institute of Chartered Accountants of India (ICAI), as applicable, and the relevant provisions of the Companies Act, 2013.

The Company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by Reserve Bank of India (RBI) for Non-deposit taking Non-Banking Finance Companies (NBFC – MFI).

#### 2. Revenue Recognition

Income from microfinance is accounted on accrual and due basis. Other income is accounted on accrual basis.

#### 3. Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated depreciation. Cost excludes taxes, duties, freight and incidental expenses related to the acquisition and installation of the asset.

Depreciation on fixed assets is provided at the rates specified in Schedule –II to the Companies Act, 2013.

#### 4. Investments:

Other than Fixed/Term Deposit, Company has made Investment in SBI Mutual Fund (liquid fund) during the year or at the close thereof.

#### 5. Receivables under Financing Activity

All loan exposures to borrowers with installment structure are stated at net receivable value at the year end.



**6. Retirement Benefits:**

**a. Gratuity**

The Company provides for gratuity, a defined benefits retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to eligible employees at retirement, death, incapacitation or termination of, of an amount based on the respective employee's salary and the tenure of the employment with the Company. The Company pays an annual premium to LIC of India for the purpose of meeting gratuity dues of employees as and when occasioned by death, retirement or superannuation.

**b. Provident fund**

Eligible employees receive benefits from a provident fund, which is a defined benefits plan. Both the eligible employee and the Company make monthly contributions to the provident fund equal to a specified percentage of the covered employee's salary.

**7. Valuation of Stock:**

No such item is there for the year.

**8. Foreign Currency Transactions:**

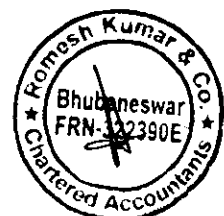
There were no foreign currency transactions in the current year

**9. Taxation**

Income Tax: Current tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax is as per provisions of AS 22 issued by ICAI.

**10. Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized only when the Company has a present or legal or constructive obligations as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation.



Contingent liability is disclosed for (i) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. In case of financial assets, provisioning is as per RBI's directives on NBFC-MFI. Since there is 100% cash margin and no losses have appeared, no separate provision has been made in case of managed assets under SP operations.

#### 11. Impairment of Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that previously assessed impairment loss no longer exists. The recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

#### (B) NOTES ON ACCOUNTS:

##### 1. Provisioning for Financial Assets.

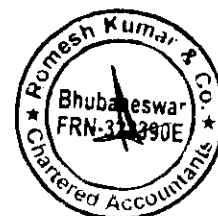
The provisioning for the current year onwards is as per RBI Notification No. DNBS.PD.CC.No.293/03.10.38/2012-13 Dt. April 20, 2016.

Provisioning of Financial Assets:

The aggregate loan provision to be maintained at any point of time shall not be less than the higher of:

- a. 1% of the outstanding loan portfolio (i.e. Rs.84,97,484.84), or
- b. 50% of the aggregate loan installments which are overdue for more than 90days and less than 180 days and 100% of the aggregate loan installments which are overdue for 180 days or more (i.e. Rs.49,34,524.00

An additional provisioning of Rs. 16,59,414 has been made during the current year in accordance with the aforesaid notification..



## 2. Segment Reporting

The Company is primarily engaged in the business of advancing small & very small loans to women groups (SHGs & JLGs). Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per As – 17 “Segmental Reporting”.

3. The Company is acting in a contractual capacity as a Service Provider (SP) for Arohan Financial Services Pvt. Ltd., Belstar Microfinance Ltd., and Samunnati Financial Intermediation and Services Pvt. Ltd. at their request on a principal to principal basis. This inter alia entails identification of its customer beneficiary base for providing microfinance to them on behalf of the Arohan Financial Services Pvt. Ltd., collect interest, charges and principal from them and remits the same to Arohan Financial Services Pvt. Ltd., towards this the Company had to deposit a sum of Rs.1.205 crores on account of First Loss Default Guarantee (FLDG). Similar arrangement has been made with Belstar Microfinance Ltd. for a sum of Rs. 10 lakhs. The Company earns commission and part of the processing fee thereon.

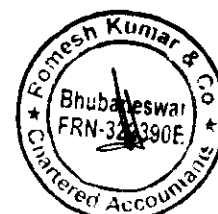
## 4. Related Party Disclosures (As per AS-18” Related Party Disclosures”).

### List of Related Parties:

- Companies holding Substantial Interest in Voting Power : NIL
- Wholly owned subsidiaries : NIL
- Key Management Persons :
  - Mr. Govind Chandra Dash, Executive Chairman.
  - Mr. Sasi Bhusan Dash, Managing Director
  - Mr. Govind Chandra Nayak, Executive Director
  - Mr. Santosh Kumar Mishra, COO (subsequently appointed as Director as on audit report date)
  - Mr. Priyabrat Nayak, Company Secretary

### Notes:

- i. Related party relationship are as identified by the Management and relied upon by the Auditors.
- ii. Details of Related Party Transactions for the Year:
  1. Rs.12,00,000.00 has been paid towards Office Rent to Mr. Govind Chandra Dash, Chairman, who has got significant influence and a stake holder of the Company.



2. Rs.6,60,000.00 paid towards Office Rent (Branch) to Mrs. Basantilata Dash spouse of the Chairman, having more than 10% stake in the Company.
3. Salary paid to Mr. Santosh Kumar Mishra, COO, relative of Mr. Govind Chandra Dash is Rs. 10,80,000.00
4. The "related party" register is being maintained and approval of the audit committee has been obtained for the said payments and there are no other "related party" transactions.

#### 5. Deferred Tax Liability/Assets

The deferred tax liability or Assets accruing in the accounts is as a result of timing difference on account of depreciation and permanent difference on account of provision on gratuity.

6. Disclosure Pursuant to Reserve Bank of India Notification DNBS. 193DG ( VL) – 2007 dated February,22,2007.

Sl.	Particulars	Amount Outstanding	Amount Overdue
As at March 31 <sup>st</sup> 2020.			

#### Liabilities:

#### *(1) Loans and Advances by the NBFC inclusive of interest accrued thereon but not paid:*

(a) Debentures	Nil	Nil
- Secured		
- Unsecured		
( other than falling within the meaning of public deposits)	Nil	Nil
(b) Deferred Credits	Nil	Nil
(c) Term Loans	Nil	Nil
(d) Inter Corporate Loans and Borrowings	Nil	Nil
(e) Commercial Paper	Nil	Nil
(f) Loans From Others	Nil	Nil
(Reliance Homes Finance Ltd.)		

(2)

#### *(3) Break – up of Loans and Advances including Bills Receivables*

