



ROMESH KUMAR & CO.
CHARTERED ACCOUNTANTS

30/A, Unit - III, Bhubaneswar-751 001
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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

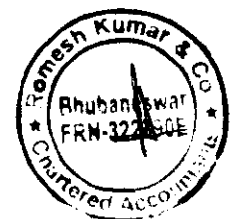
Opinion

We have audited the standalone financial statements of G U Financial Services Private Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2022 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, 2022, 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 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.

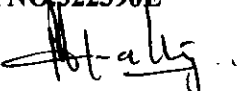
- (a) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (b) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of 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 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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".

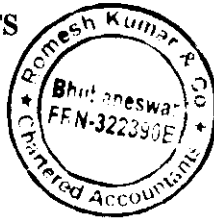


(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- 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: 15/07/2022

UDIN- **22057213ANKCGC4308**

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 2022 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 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

H. alhy.

BHARATENDRA TRIPATHY
(Partner)
M.NO.057213



Place: Bhubaneswar

Date: 15/07/2022

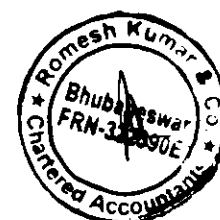
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Appendix to the Independent Auditor's Report

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 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

Hally

BHARATENDRA TRIPATHY
(Partner)
M.NO.057213



Place: Bhubaneswar

Date: 15/07/2022

UDIN- 22057213ANKCGC4308

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 2022

<u>PARTICULARS</u>	NOTES	Amount(Rs in '000) <u>2021-22</u>	Amount(Rs in '000) <u>2020-21</u>
<u>I. EQUITY AND LIABILITIES</u>			
1 SHAREHOLDERS' FUNDS			
A) Share Capital	C	80353	73153
B) Reserves and Surplus	D	78779	76294
2 NON-CURRENT LIABILITIES			
A) Long -Term Borrowings	E	171046	423615
B) Deferred Tax Liabilities (Net)		0	0
3 CURRENT LIABILITIES			
A) Short Term Borrowings	F	23810	43617
B) Current Liabilities	G	20871	21901
C) Short Term Provisions	I	14019	14019
TOTAL		388878	652599
<u>II. ASSETS</u>			
1 A) PROPERTY, PLANT & EQUIPMENTS AND INTANGIBLE ASSETS			
(i) PPE	H	1825	2245
(ii) Intangible Assets	H	732	1354
B) Non- Current Investment		0	0
C) Deferred Tax Assets (Net)		1006	839
D) Long Term Loans and Advances	J	266679	346977
2 CURRENT ASSETS			
A) Short Term Loans and Advances	K	18253	199437
B) Current Investment		0	0
C) Trade Receivables		0	0
D) Cash and Cash Equivalents	L	35377	26360
E) Short Term Loans & Current Assets	M	65007	75387
TOTAL		388878	652599

As per our Audit report of even date

for Romesh Kumar & Co.

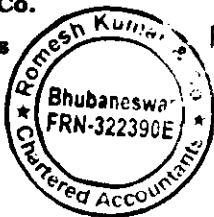
Chartered Accountants

Bharatendra Tripathy
 Bharatendra Tripathy
 (Partner)

M. No.: 057213

Date: 15.07.2022

Place: Bhubaneswar



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

G. C. Nayak
 Chairman-cum-Managing Director

(Chairman-cum-Managing Director)

G. C. Nayak
 G. C. Nayak Director

(Whole time Director)

For G U Financial Services P. Ltd.

P. Nayak
 P. Nayak

Company Secretary (Company Secretary)

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

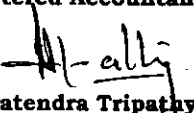
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2022

<u>PARTICULARS</u>	<u>Note</u>	<u>Amount(Rs in '000)</u>	<u>Amount(Rs in '000)</u>
	<u>No.</u>	<u>2021-22</u>	<u>2020-21</u>
A INCOME			
1 REVENUE FROM OPERATION	N	112247	187817
2 OTHER INCOME	O	2019	3886
TOTAL REVENUE		114266	191702
B EXPENSES			
Employee Benefit Expenses	P	45799	49648
Finance Costs	Q	48537	108510
Depreciation & Amortisation Expenses	H	1305	1648
Other Expenses	R	17096	23683
TOTAL EXPENSES		112738	183489
4 PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (2-3)		1528	8214
5 EXCEPTIONAL ITEMS		0	0
6 PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (4-5)		1528	8214
7 EXTRAORDINARY ITEMS		2591	0
8 PROFIT BEFORE TAX (6-7)		4119	8214
9 TAX EXPENSES			
CURRENT TAX		1237	2943
DEFERRED TAX LIABILITIES/(ASSETS)		-166	-615
INTEREST ON PY TAX		0	0
10 PROFIT (LOSS) FOR THE PERIOD (8-9)		3048	5886
11 TRANSFER TO STATUTORY RESERVE		576	1054
12 BALANCE CARRIED TO BALANCE SHEET(10-11)		2472	4831
13 EARNING PER SHARE			
BASIC		0.49	0.95
DILUTED		0.49	0.95

As per our Audit report of even date

for Romesh Kumar & Co.

Chartered Accountants


 Bharatendra Tripathy
 (Partner)

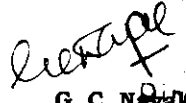
M. No.: 057213



for G U Financial Services (P) Ltd.
 For GU Financial Services Pvt. Ltd.


 G. C. Dash
 Chairman-cum-Managing Director
 (Chairman-cum-Managing Director)

for G U Financial Services (P) Ltd.


 G. C. Nayak
 Director
 (Whole time Director)

For G U Financial Services P. Ltd.


 P. Nayak
 Company Secretary
 (Company Secretary)

Date: 15.07.2022

Place: Bhubaneswar

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 2021-22

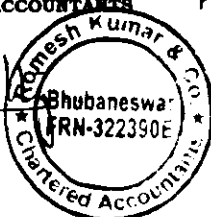
PARTICULAR	AMOUNT(Rs. '000)	
	2021-22	2020-21
A Cash Flow from Operating Activities		
Revenue from Operation	112247	187817
Other Income	2019	3886
Commission Receivables	0	0
LPF Received		
Income/Receipts Accrued	4118	-2818
Employee Benefits	-43829	-47669
Finance Cost	-48537	-108510
Other Expenses	-17110	-11160
Other Payments	-850	485
GST	-405	-125
Premium (Paid)/Payable for Insurance	641	-3287
Insurance Claim Receivable	0	0
Income Tax Paid	-2698	-3101
Net Cash From Operating System (A)	5594	15517
B Cash Flow From Investing Activities		
Increase in share capital	7200	0
Preference Share Dividend paid	-563	
Purchase of fixed assets	-263	-1165
Security Deposit	13	-74
Term Deposit	-11700	-2000
Fixed Deposit	0	0
Redemption of Fixed Deposit		26499
Redemption of Term Deposit	19629	7567
Net Cash From Investing Activities (B)	14316	30827
C Cash Flow From Financing Activities		
Repayment of Short term borrowing	-19806	-60649
Repayment of Long term borrowing	-252569	-350878
(Increase)/ Decrease in Loan disbursement (Own Portfolio)	261482	303335
Proceed of Long term borrowing	0	0
Proceed of Short term borrowing	0	0
Net Cash Used In Financing Activities (C)	-10893	-108193
Net Increase in Cash and Cash Equivalents (A+B+C)	9017	-61849
Cash and Cash Equivalents at Beginning of Period	26360	88209
Cash and Cash Equivalents at end of Period	35377	26360

As per our separate report of even date.

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

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

Date: 15.07.2022
Place: Bhubaneswar



For GU Financial Services Pvt. Ltd.

[Signature]
Chairman-cum-Managing Director

Prayind Ch. Dash

(Chairman-cum-Managing Director)

GU Financial Services (P) Ltd.

[Signature]
G. C. Nayak

(Whole time Director)

Director

For G U Financial Services P. Ltd.
P Nayak

(Company Secretary)

[Signature]
Company Secretary

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 Micro 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. Property, Plant and Equipment's Intangible Assets and Depreciation

Property, Plant and Equipment's and Intangible asset are stated at cost less accumulated depreciation. Cost includes taxes, duties, freight and incidental expenses related to the acquisition and installation of the asset.

Depreciation on Property, Plant and Equipment's and Intangible asset is provided at the rates specified in Schedule –II to the Companies Act, 2013.

4. Investments:

Other than Fixed/Term Deposit, Company has not made any Investments 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. The Company has also not availed any Foreign Currency loan during the 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.28,49,31,587.00), 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.13,84,325.00 and Rs.1,07,72,394.00 respectively)

No additional provisioning has been made during the current year in accordance with the aforesaid notification. In case of SP portfolio of Arohan Financial Services Pvt. Ltd & Belstar Microfinance Ltd amounting to Rs.60,03,519.86, due payment have been made from our funds pending collection therefrom. The management has conservatively allocated the leftover provision of Rs. 18,62,148.00 as maximum possible loss therefrom.

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., Avanti Financial Services Pvt. Ltd., Samunnati Financial Intermediation and Services Pvt. Ltd. And Jana Small Finance Bank 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.60 lakhs, Avanti Finance Limited for a sum of Rs. 77 lakhs and Jana Small Finance Bank 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, Chairman cum Managing Director

Mr. Govind Chandra Nayak, Executive Director

Mr. Santosh Kumar Mishra, Executive Director

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. 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 st 2022.			

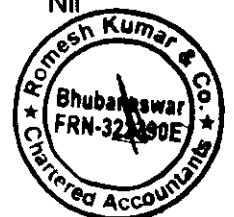
Liabilities:

(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
(2) Break – up of Loans and Advances including Bills Receivables		
<i>(other than those included in (3) below):</i>		
(a) Secured	Nil	Nil
(b) Unsecured	Nil	Nil
(3) Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities.		
(i) Lease Assets including Lease Rentals Accrued and Due:		
(a) Financial Lease	Nil	Nil
(b) Operating Lease	Nil	Nil
(ii) Stock on Hire including Hire Charges under Sundry Debtors:		
(a) Assets on Hire	Nil	Nil
(b) Repossessed Assets	Nil	Nil
(iii) Other Loans counting towards AFC Activities		
(a) Loans where Assets have been Repossessed	Nil	Nil
(b) Loans other than (a) above	Nil	Nil
(4) Break – up of investments (net of provision for diminution in value):		
Current Investments:		
<i>I. Quoted:</i>		
(a). Shares:		
i. Equity	Nil	Nil
ii. Preference	Nil	Nil
(b). Debentures and Bonds	Nil	Nil
(c). Units of Mutual Funds	Nil	Nil
(d). Government Securities (Net of Amortization)	Nil	Nil
(e). Others	Nil	Nil
<i>II. Unquoted:</i>		
(i) Shares		
(a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of Mutual Funds	Nil	Nil
(iv) Government Securities	Nil	Nil



(v) Others		Nil	Nil
Long term Investments:			
(I) Quoted:			
(i) Shares: (a) Equity		Nil	Nil
(b) Preference		Nil	Nil
(ii) Debentures and Bonds	Nil		Nil
(iii) Units of Mutual Funds	Nil		Nil
(iv) Government Securities (Net of Amortization)	Nil		Nil
(v) Others	Nil		Nil
(II) Unquoted:			
i. Shares:			
(a).Equity		Nil	Nil
(Net of Provision for Diminution in Value of Investment)			
(b).Preference	Nil		Nil
ii. Debentures and Bonds	Nil		Nil
iii. Units of Mutual Funds	Nil		Nil
iv. Government Securities	Nil		Nil
v. Others	Nil		Nil

(4) Borrower Group – wise Classification of Assets Financed as in (2) and (3) above

	Amount (Net of Provisioning)		
	As at March, 31, 2022		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same Group			
(c) Other Related Parties			
2. Other than Related Parties	Nil	Nil	Nil
Total	Nil	Nil	Nil

(5) Investor Group – wise Classification of all investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted):

Category	MV/Break up Value or Fair value or NAV	Book Value (Net of provisioning)
1. Related Parties	Nil	Nil
a) Subsidiaries		
b) Companies in the same Group		
c) Other Related Parties		



2. Other than Related Parties	Nil	Nil
Total	Nil	Nil

(6) *Other Information* Amount Outstanding
As at March, 31st 2022.

(i) Gross Non-Performing Assets	
(a) With Related Parties	Nil
(b) With Others	1,58,86,381.00
(ii) Net Non-Performing Assets	
(a) With Related Parties	Nil
(b) With Others	18,67,514.00
(iii) Assets Acquired in Satisfaction of Debt	
(a) With Related Parties	Nil
(b) With Others	Nil

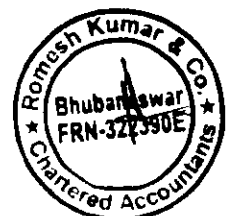
* Related parties are as identified in Note 3 above.

7. Disclosure Pursuant to Reserve Bank of India Notification DNBS 200/CGM (PK) – 2008 dated August, 2008.
i. Capital adequacy Ratio

Particulars	As at	As at
	March 31 st , 2022	March 31 st , 2021
Tier I Capital	15,89,62,976.00	14,35,61,123.00
Tier II Capital	2,00,00,000.00	3,51,51,317.00
Total Capital	17,89,62,976.00	18,32,44,109.72
Total Risk Weighted Assets	32,21,73,562.83	59,20,04,302.55
Capital Ratios		
Tier I Capital as a percentage of total Risk Weighted Assets (%)	49.34	25.02
Tier II Capital as a Percentage of Total Risk Weighted Assets (%)	6.20	5.94
Total (%)	55.54	30.96

II. Exposure to Real Estate Sector, Both direct and indirect

Category	As at	As at
	March 31 st , 2022.	March 31 st , 2021.
(a) Direct Exposure (Net of Advances from Customers)		
(i) Residential Mortgages –	Nil	Nil
Lending fully secured by mortgages on residential property that is or will be occupied by the borrowed or that is rented:		
- Individual housing loans upto Rs. 15 lakhs		
- Individual housing loans more than Rs. 15 lakhs		



(i) Commercial Real Estate -

Lending secured by mortgages on commercial real estates Nil Nil
(office building, retails space, multipurpose commercial
Premises, multi – family residential buildings, multi –
Tenanted commercial premises, industrial or warehouse space,
Hotels, land acquisition, development and construction etc).
- Fund Based
- Non Fund Based

(ii) Investments in Mortgage Backed Securities (MBS) and other
Securitized exposures.

a. Residential Nil Nil
b. Commercial Real Estate

b) Indirect Exposure

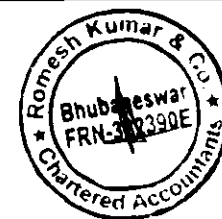
Fund based and non-fund based exposures on National Nil Nil
Housing Bank (NHB) and Housing Finance Companies (HFCs).

Notes:

The above summary is prepared based on the information available with the Company

8. Ageing of Receivables from Micro Finance Activities.

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6month - 1Year	1-2 Years	2-3Years	More than 3 Years	
1.Undisputed Trade Receivables-considered good	-	-	2,66,60,950.00	13,29,906.00			9,54,228.00	3,75,33,084.00
2.Undisputed Trade Receivables-which have significant increase in credit risk.	-	-	-	-	-	-	-	-
3.Undisputed Trade Receivables-credit impaired	-	-	-	-	-	-	-	-
4.Disputed Trade Receivables-considered good	-	-	-	-	-	-	-	-
5.Disputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-	-	-
6.Disputed Trade Receivables-credit impaired	-	-	-	-	-	-	-	-



9. Financial Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
Current Ratio	Current Asset	Current Liabilities	2.02107	3.78674	-53.37%	Resulting from reduction of loans advanced
Debt-Equity Ratio	Total liabilities	Share holder Equity + R & S	1.07487	2.83456	-37.92%	Loans have gone down
Return on Equity Ratio	Net Profit	Share holder Equity	0.05635	0.11228	-50.18%	Since loans have reduced portfolio should reduced
Net Profit Ratio	Net Profit	Net Income	0.03669	0.04373	-83.90%	Since loans have reduced portfolio should reduced
Return on Capital Employed	EBIT	Share Capital + R & S	0.32928	0.78104	-42.16%	Since loans have reduced portfolio should reduced
DSCR (Debt Service Coverage Ratio)	Available Surplus + Int. on TL	Repayment of TL + Int. on TL	0.01	0.17783	-5.62%	NIL

10. There are no contingent liabilities.

11. Remuneration and Sitting fees to Directors:

a) Remuneration paid to the Managing and Executive Directors: Rs.34,80,000.00

REMUNERATION TO DIRECTOR		
SL.NO.	NAME	AMOUNT (Rs.)
1	GOVIND CHANDRA DASH	17,76,000.00
2	GOBIND CHANDRA NAYAK	6,24,000.00
3	SANTOSH MISHRA	10,80,000.00
	TOTAL	34,80,000.00

b) Since no commission is paid/ payable to any Director, the computation of profit under Section 198 of the Companies Act 2013 has not been made.



c) Sitting fees paid (excluding GST):

Rs. 1,00,000.00

SITTING FEES DETAILS		
SL.NO.	NAME	AMOUNT (Rs.)
1	BISWANANDA TRIPATHY	55,000.00
2	NANDAN SINGH BISHT	45,000.00
	TOTAL	1,00,000.00

12. Confirmation of balance from parties has been received/ obtained. The balances, thereof, are as per the books of account of the Company.
13. During the year depreciation charged to the extent as applicable under useful life of assets.
14. During the year expenses on Office rent, Consultancy and Travelling & conveyance exceeds 1% of Revenue from Operation.
15. Income tax paid under protest
The Company feels that the department has no case since it is a matter of collection during demonetization with the authority of Yes Bank Ltd. Hence it is taken as an asset and the company is hopeful of its full recovery.
16. The Company does not foresee any surge in NPAs or bad loans as a result of the pandemic. The Company expects a fraction of its loan loss recovery to be hit. The Company's representatives are regularly in touch with the borrowers and foresee no dip in quality, however, a general extension of time period for loan is expected to happen in the ensuing period.
17. The Company has provided a sum of Rs. 3,47,417/- being premium payable to LIC towards Gratuity dues for the year. This has been disclosed as a current liabilities.
18. Staff bonus provided for in the last fiscal has been written back during this year and disclosed below the line under Extraordinary item.
19. Previous year figures have been regrouped / rearranged, where necessary to conform to current year's presentation.

For Romesh Kumar & Co.

Chartered Accountants

Bharatendra Tripathy

(Partner)

M. No. -057213

Date-15/07/2022

Place- Bhubaneswar



For G U Financial Services (P) Ltd.

For GU Financial Services Pvt. Ltd.

G. C. Dash

(Chairman-cum-Managing Director)

GU Financial Services (P) Ltd.

G. C. Nayak

(Whole Time Director)

For G U Financial Services P. Ltd.

P. Nayak
Company Secretary
(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 in '000)	
		2021-22	2020-21
C SHARE CAPITAL			
<u>Authorized</u>			
	1000000 Equity Share of Rs.10.00 each	100000	100000
	1000000 12% Non-Convertible Redeemable Preference Share of Rs.10 each	10000	
		110000	100000
	Issued (7315250 Equity Share of Rs.10.00 each)	73153	73153
	Subscribed & Fully Paid Up	73153	73153
	Subscribed & not Fully Paid Up	0	0
	Issued (720000 Redeemable Preference Share of Rs.10.00 each)		
	Subscribed & Fully Paid Up	7200	0
	Subscribed & not Fully Paid Up		
		80353	73153

The Company has only two classes of Share i.e. Equity and NCRPS 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. NCRPS holders are entitled to dividend at coupon sale.

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

Particulars	31.03.2022		31.03.2021	
	Number	Amount (Rs.'000)	Number	Amount (Rs.'000)
Share Outstanding at the beginning of the year	7315.25	73152.50	6215.25	62152.50
Share Issued During The Year	0.00	0.00	1100.00	11000.00
Share Brought Back during the year	0.00	0.00	0.00	0.00
Share Outstanding at The end of the year	7315.25	73152.50	7315.25	73152.50

Reconciliation of the number of Preference Share outstanding and the amount of share capital as at:

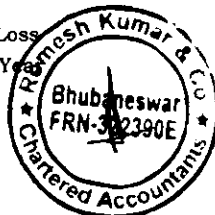
Particulars	31.03.2022		31.03.2021	
	Number	Amount (Rs.'000)	Number	Amount (Rs.'000)
Share Outstanding at the beginning of the year	-	-	-	-
Share Issued During The Year	720.00	7200.00	-	-
Share Brought Back during the year	0.00	0.00	-	-
Share Outstanding at The end of the year	720.00	7200.00	-	-

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

Name(s)	As at 31.03.2022		As at 31.03.2021	
	Number	Amount (Rs.'000)	Number	Amount (Rs.'000)
Govind Chandra Dash	2411	24112	2411	24112
Govind Chandra Nayak	434	4341	434	4341
Smt. Basantilata Dash	1570	15700	1570	15700
Santosh Kumar Mishra	550	5500	550	5500
Surakshya Staff Welfare Trust	600	6000	600	6000

D RESERVE AND SURPLUS

Statutory Reserve (u/s 45-IC of RBI Act 1934)	a	18981	18405
Surplus/(Deficit) up to Previous Year in Profit/Loss		57889	53058
Add: Surplus for the Current Year		2472	4831
	b	60361	57889
	a+b	79342	76294
Less: Preference share dividend paid		563	0
		78779	76294



E LONG TERM BORROWING**SECURED (hypothecated against book debts from the borrowing)**

IDFC First Bank Ltd.	45714	115206
Northern Arc Capital Ltd.	0	83095
Habitat Micro Build India Housing Finance Co. Pvt. Ltd.	0	21405
Friends of WWB INDIA	33043	8824
Ananya Finance for Inclusive Growth Pvt. Ltd.	0	13750
Bandhan Bank Limited	0	24289
Electronic Finance Limited	0	20683
Hinduja Leyland Finance Ltd.	0	17991
Kashi Vishwanatha Vidya Samasthe	0	9122
Samunnati Financial Intermediation and Services Pvt. Ltd.	7625	25943
Nabkisan Finance Limited	16558	33308
Vedika Credit Capital Limited	18106	

UNSECURED

Unsecured Term Loan (IDFC Fir Bank Ltd.) (treated as Tier II capital)	50000	50000
	171046	423615

F SHORT TERM BORROWING**(hypothecated against book debts from the borrowing)**

Incred Financial Services Ltd.	0	9131
SIDBI	0	14600
EcLEAR Leasing & Finance Pvt. Ltd.	0	7169
Friends of WWB INDIA	1765	0
Habitat Micro Build India Housing Finance Co. Pvt. Ltd.	866	0
IDFC First Bank Ltd.	5556	0
Northern Arc Capital Ltd.	13574	0
NABFINS Ltd.	2050	12716
	23810	43617

G CURRENT LIABILITIES

Insurance Premium Payable	10765	9781
Statutory Liability		
ESI	73	82
EPF	333	377
EPFO Admin Expenses	14	16
Audit Fee	590	590
ISO audit payable	54	0
Director Remuneration	247	237
Salary Payable	4183	3413
Liabilities for Expenses	226	455
House rent payable	457	452
Equifax payable	0	3
Belstar Payable	0	5
Resource Person Fees	0	480
Staff welfare payable	41	34
Staff bonus payable	0	2601
Professional tax payable	19	20
Gratuity payable	2454	2107
GST		
Odisha: CGST	127	140
IGST	574	549
SGST	127	140
Chhattisgarh: CGST	0	1
SGST	0	1
Travelling expenses	3	3
Staff fuel expenses payable	288	215
Staff communication payable	35	37
Branch expenses payable	259	165
	20871	21901

I SHORT TERM PROVISION

Provision for Financial Assets	14019	14019
	14019	14019



J LONG TERM LOAN AND ADVANCE

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

Loans Outstanding from SHGs	920668	825021
Less: Overdue for more than 365 days	0	0
Less: Arohan Financial Services Pvt. Ltd. Portfolio (Being Under SP Model)	157595	333605
Less: Avanti Finance Pvt. Ltd.	295560	5955
Less: BELSTAR Microfinance Ltd.	172242	114220
Less: SAMUNNATI Financial Intermediation and Services Pvt. Ltd.	0	24264
Less: Jana Small Finance Bank	28592	0
	<u>266679</u>	<u>346977</u>

K SHORT TERM LOAN AND ADVANCE

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

Loans Outstanding from SHGs	199893	200463
Less: Arohan Financial Services Pvt. Ltd. Portfolio (Being Under SP Model)	106354	956
Less: BELSTAR Microfinance Ltd.	46854	70
Less: Avanti Finance Pvt. Ltd.	25604	0
Less: SAMUNNATI Financial Intermediation and Services Pvt. Ltd.	2827	0
	<u>18253</u>	<u>199437</u>

L CASH AND CASH EQUIVALENT

Cash At Bank in Current Account	32046	24333
Add: Deposit in SBI Mutual Fund (Liquid Fund regular growth) Own Balance at Bank	0	0
	<u>32046</u>	<u>24333</u>
Cash on Hand (As certified by Management)	3331	2027
	<u>35377</u>	<u>26360</u>

M OTHER CURRENT ASSETS

Interest Accrued but not Due from SHG Member	13628	16457
Interest Accrued but not Due From Fixed Deposit	1003	2292
Service Tax	429	429
Receivable (Principal) from SHG Members	6004	3092
Insurance Claim Settlement	844	431
Income tax Refund (AY 18-19)	515	515
Income tax Refund (AY 19-20)	452	452
Income tax refund (AY 20-21)	0	686
Income tax refund (AY 21-22)	158	158
Income tax refund (AY 22-23)	2146	0
Income tax paid under protest	2755	2755
TDS receivable	0	141
Security Deposit	608	621
Salary Advance	105	248
Staff Loan	839	1589
Advance paid to Nabakisan	0	331
Staff loan due but not collected	0	163
Receivable from Incred	2	0
Receivable from Electronica Finance	9	0
Commission receivable from Samunnati	94	172
Grant receivable from Nabkisan Finance Ltd.	0	1510
Term Deposit for Arohan Financial Services Pvt. Ltd.	12050	12050
Term Deposit for Avanti Finance	7700	0
Term Deposit for NABFINS Ltd.	1000	2500
Term Deposit for Jana Small Finance Bank	1000	0
Term Deposit with Incred Financial Services. Ltd.	0	540
Term Deposit for Ananya Finance for Inclusive Growth Pvt. Ltd.	0	5000
Term Deposit for Bandhan Bank Ltd.	0	6000
Term Deposit for Belstar Microfinance Ltd.	6000	3000
Term Deposit for Eclear Leasing and Finance Pvt. Ltd.	0	2000
Term Deposit for Electronica Finance Ltd.	0	2506
Term Deposit for Nabkisan Finance Ltd.	1667	3750
Loan to Surakhya Staff Welfare Trust	6000	6000
	<u>65007</u>	<u>75387</u>

N REVENUE FROM OPERATION

Interest from SHG	70059	161264
LPF Collected for SHG & OWN	816	2935
Commission from SP & BC	41372	23618
	<u>112247</u>	<u>187817</u>



O. OTHER INCOME

Interest On Term Deposit	1783	1407
Interest Accrued but not Due on Term Deposit	0	1649
Interest On Staff Loan	226	316
Other income	3	514
Interest on IT refund	6	0
	2019	3886

P. EMPLOYEE BENEFIT EXPENSES

Salary and Wages	33297	36327
Director Remuneration	3480	3790
Sitting Fees	100	100
Employer Contribution to EPF & ESI	5401	5078
Staff Welfare Expenses	525	630
Incentive paid to M.D.		125
Staff bonus		1274
Gratuity expenses	347	961
Staff Incentive	2649	1363
	45799	49648

Q. FINANCE COSTS

Interest	48281	108510
Loan Processing Fee	257	0
	48537	108510

R. OTHER EXPENSES

Administrative Expenses	179	194
Advertisement expenses	40	0
Bank Charges	447	90
Consultancy fee	527	499
Electricity	415	425
MCA Filing Fee	30	82
Insurance Premium	69	59
Staff insurance		114
Staff vehicle maintenance	3	585
GST Expenses	403	478
Authorized capital increase expenses	75	0
Donation PM Cares Fund	0	120
Membership Fee	143	182
Miscellaneous	577	585
News paper and Periodicals	13	66
New branch setup expenses	7	32
Office Rent	5599	5547
Internal Audit Fee	30	110
ISO audit expenses	100	
Printing and Stationery	722	713
Payment to Auditors		
As Auditor	500	590
AMC for Software Renewal	1221	1332
Repair and Maintenance	213	181
Telephone/ Communication Expenses	692	817
Traveling and Conveyance	4218	4244
Computer Stationary	65	126
Equifax Client verification Expenses	78	18
Professional Tax	3	3
Meeting Expenses	144	166
Credit Rating Exp	585	383
Relief expenses	0	422
Provisioning for Loan Loss reserve(as per RBI guidelines)	0	5521
	17096	23683

for Romesh Kumar & Co.

Chartered Accountants



Bharatendra Tripathy
(Partner)

M. No.:057213

Date: 15.07.2022

Place: Bhubaneswar



For GU Financial Services (P) Ltd.



G. C. Dash
Chairman-cum-Managing Director



G. C. Nayak
Director

For G U Financial Services P. Ltd.

P Nayak

(Company Secretary)

FIXED ASSETS

Schedule H

Amount(Rs in '000)

	Computer/ Mobile Equip.	Furniture & Fixture	Bi-Cycle	Stabilizer/ Electric Equip	GAS	Software (Intangibles)	Projector	TOTAL
Opening Balance	3149	1764	6	263	27	2897	472	8578
Additional	110	44	0	105	5	0	0	263
Sub Total	3259	1808	6	368	32	2897	472	8841
Less: Disposal	0	0	0	0				0
Gross Block	3259	1808	6	368	32	2897	472	8841
Depreciation upto PY	2746	490	6	87	9	1543	97	4979
Depreciation For CFY	451	168	0	27	3	622	35	1305
Accumulated Depreciation	3197	658	6	114	12	2165	132	6284
Net Carrying Value	62	1149	0	254	20	732	340	2557
Previous Year	403	1273	0	176	18	1354	375	3599

*CFY=Current Financial Year

