



**10<sup>th</sup> Annual Report of  
Shree Marikamba Micro  
Finance Private Limited  
FY 2022-23**





**SHREE MARIKAMBA**  
**Micro Finance Pvt. Ltd.,**

*Regd. Office :*

YSS Towers, 1st Cross, N. T. Road,  
Shivamogga - 577 201. Karnataka, India  
Phone : 08182 - 402347  
E-mail : srimarikambafinance@gmail.com  
CIN : U67100KA2014PTC073382

**NOTICE**

NOTICE is hereby given that the **10<sup>th</sup> Annual General Meeting** of the members of the Company will be held on Wednesday, the 20<sup>th</sup> day of September, 2023, at 05.00 PM at the Shimoga Country Club, Vidyanagar, Shivamogga – 577203, Karnataka, to transact the following business:

**1. Adoption of Audited Financial Statements for the financial year ended on 31<sup>st</sup> March, 2023:**

To consider and adopt the audited financial statement of the Company for the financial year ended on 31<sup>st</sup> March, 2023 and the report of the Auditor and Board of Directors thereon; in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolutions:

**"RESOLVED THAT** the audited financial statement of the Company for the financial year ended on 31<sup>st</sup> March, 2023 and the reports of the Auditors and Board of Directors thereon, as circulated to the members, be and are hereby considered, approved and adopted."

**For Shree Marikamba Micro Finance Private Limited**

**Kantesh K E**  
**Director**

**DIN: 00686990**

# Jayalakshmi, Main Road,  
Gundappa Shed,

Malleshwara Nagara, Shimoga - 577201

**Place: Shivamogga**  
**Date: 01.09.2023**

#### NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty-eight (48) hours before the meeting.
2. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
3. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their Folio No.
4. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to send their e-mail addresses to [srimarikambafinance@gmail.com](mailto:srimarikambafinance@gmail.com).
5. Members are requested to quote their Folio No. / Client ID and DP ID in all their correspondence.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
8. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
9. Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company.

**MGT-11**  
**Proxy form**

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

CIN : U67100KA2014PTC073382  
Name of the Company : Shree Marikamba Micro Finance Private Limited  
Registered office : Sy. No. 173/162/94, Ward No. 28, GSKM Road Cross,  
PWD Quarters Road, YSS Towers, Shivamogga -577201, Karnataka.

|                       |  |
|-----------------------|--|
| Name of the Member(s) |  |
| Registered office     |  |
| E-mail Id             |  |
| Folio No /Client ID   |  |
| *DP ID:               |  |

\*Applicable for holders holding shares in demat/ electronic mode

I/We, being the member(s) of \_\_\_\_\_ shares of the above-named company. Hereby appoint

1. Name: ..... Address: .....  
E-mail Id: ..... Signature, ..... or failing him
2. Name: ..... Address: .....  
E-mail Id: ..... Signature, ..... or failing him
3. Name: ..... Address: .....  
E-mail Id: ..... Signature, ..... or failing him

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 10<sup>th</sup> Annual General Meeting of the company, to be held on Wednesday, the 20<sup>th</sup> day of September 2023 at 5.00 P.M at Shimoga Country Club, Vidyanagar, Shivamogga - 577203, Karnataka and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sl. No. | Resolution(S)                                                                                          | For | Against |
|---------|--------------------------------------------------------------------------------------------------------|-----|---------|
| 1       | Adoption of Audited Financial Statements for the financial year ended on 31 <sup>st</sup> March, 2023. |     |         |

Signed this \_\_\_day of \_\_\_\_\_, 2023

Affix  
Revenue  
Stamp  
of Rs.1

Signature of the shareholder

Signature of the proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.



### ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

**10<sup>th</sup> Annual General Meeting  
on Wednesday, 20<sup>th</sup> September,  
2023**

Full name of the members attending (In block capitals) \_\_\_\_\_  
Ledger Folio No. /Client ID No. \_\_\_\_\_ No. of shares held: \_\_\_\_\_  
Name of Proxy \_\_\_\_\_ (To be filled in, if the proxy attends instead of the member).

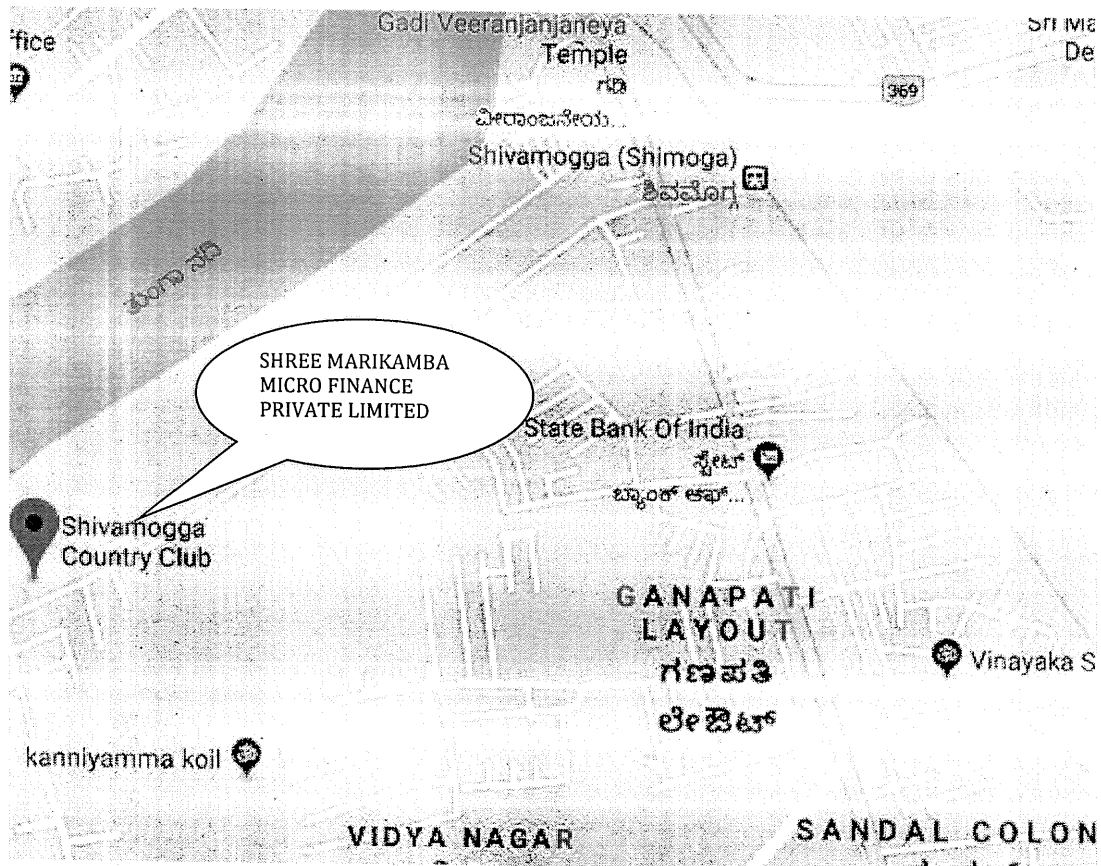
I hereby record my presence at the 10<sup>th</sup> Annual General Meeting of the of SHREE MARIKAMBA MICRO FINANCE PRIVATE LIMITED on Wednesday, the 20<sup>th</sup> day of September 2023, at 05.00 P.M IST at Shimoga Country Club, Vidyanagar, Shivamogga – 577203, Karnataka.

(Member's /Proxy's Signature)

#### Note:

- 1) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 2) A Proxy need not be a member of the Company.
- 3) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.

Route map for 9<sup>th</sup> AGM venue of SHREE MARIKAMBA MICRO FINANCE PRIVATE LIMITED to be held on Friday 16<sup>th</sup> day of September, 2022 at 05.30 PM at Shimoga Country Club, Vidyanagar, Shivamogga - 577203, Karnataka.





## DIRECTORS' REPORT

To,  
All the Shareholders,  
Shree Marikamba Micro Finance Private Limited.

The Board of Directors presents the Company's 10<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March 2023.

### 1. FINANCIAL RESULTS

The Company's financial performance for the year under review along with the previous year's figures is given hereunder:

| Particulars                         | For the year ended<br>31 <sup>st</sup> March 2023<br>(Amount in Rs Thousand) | For the year ended<br>31 <sup>st</sup> March 2022<br>(Amount in Rs<br>Thousand) |
|-------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| Net Sales /Income                   | 21,584.21                                                                    | 19,864.27                                                                       |
| Other Income                        | 4.33                                                                         | 0.68                                                                            |
| <b>Total Income</b>                 | <b>21,588.54</b>                                                             | <b>19,864.95</b>                                                                |
| Total expenses                      | 12,460.59                                                                    | 10,052.06                                                                       |
| <b>Profit / (Loss) Before Taxes</b> | <b>9,127.95</b>                                                              | <b>9,812.89</b>                                                                 |
| <b>Profit After Tax</b>             | <b>6,831.01</b>                                                              | <b>7,341.57</b>                                                                 |
| Profit carried to Balance Sheet     | 6,831.01                                                                     | 7,341.57                                                                        |
| Earning Per Share: Basic            | 12.42                                                                        | 13.35                                                                           |

| Particulars                                          | 2022-23   | As a % to<br>revenue | Growth as a<br>% to the<br>previous<br>year (2022) | 2021-22   | As a %<br>to<br>revenue |
|------------------------------------------------------|-----------|----------------------|----------------------------------------------------|-----------|-------------------------|
| Revenue from operations                              | 21,584.21 | 100.00               | 8.66                                               | 19,864.27 | 100.00                  |
| Earnings Before Interest<br>and Tax                  | 14620.32  | 67.74                | 1.43                                               | 14,414.56 | 75.57                   |
| Less: Finance Cost<br>(Interest and Bank<br>Charges) | 5,492.37  | 25.45                | 19.36                                              | 4,601.67  | 23.17                   |
| Earnings before tax                                  | 9,127.95  | 42.29                | (6.98)                                             | 9,812.89  | 49.40                   |
| Less: Tax Expense                                    | 2296.94   | 10.64                | (7.06)                                             | 2471.31   | 12.44                   |
| Earnings after tax                                   | 6,831.01  | 31.65                | (6.95)                                             | 7,341.57  | 36.96                   |

## **2. ACTIVITIES CARRIED OUT DURING THE YEAR:**

"The Company has been doing well for the last 8 years, including FY 2022-23. In FY 2022-23, under social service activities, we have arranged an educative / pilgrimage tour for all S H G Women borrowers, and it has been an outstanding success."

## **3. DIVIDEND:**

| SL No | Financial Year | Amount of Dividend | Percentage of Dividend |
|-------|----------------|--------------------|------------------------|
| 1     | 2020-21        | 49,49,424/-        | 9                      |
| 2     | 2021-22        | 49,49,424/-        | 9                      |
| 3     | 2022-23        | 49,49,424/-        | 9                      |

## **4. TRANSFER TO RESERVES:**

For the financial year ended on 31<sup>st</sup> March 2023, the Board of Directors of the Company has decided to transfer Rs.13,66,200/- to the reserves.

## **5. CAPITAL STRUCTURE:**

### **a. SHARE CAPITAL:**

At the end of the financial year 2022-2023, The authorized equity share capital of the Company is Rs.6,00,00,000/- (Rupees Six Crore Only) divided into 6,00,000 (Six Lakh Only) Equity Shares of Rs.100/- (Rupees Hundred Only) each.

Paid-up capital of the Company is Rs.5,49,93,600/- (Rupees Five Crore Forty Nine Lakhs Ninety Three Thousand Six Hundred Only) divided into 54,99,360 (Fifty Four Lakhs Ninety Nine Thousand Three Hundred Sixty Only) Equity Shares of Rs.100/- (Rupees Hundred Only) each.

There is no change in the capital structure during the year.

### **b. BUYBACK OF SECURITIES:**

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

### **c. SWEAT EQUITY:**

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

### **d. BONUS SHARES:**

During the year company has not issued any Bonus Shares.

### **e. EMPLOYEE'S STOCK OPTION PLAN:**

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

**f. EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS:**

The Company has not issued any Equity shares with differential voting rights during the year under review.

**6. CHANGE IN NATURE OF BUSINESS:**

There is no change in the nature of business of the Company for the year under review.

**7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:**

| <b>(A) Conservation of Energy</b>                                            |                                                          |
|------------------------------------------------------------------------------|----------------------------------------------------------|
| the steps are taken or impact on the conservation of energy                  | The company's activity is not intensive power consuming. |
| the steps were taken by the Company to utilize alternative sources of energy | Nil                                                      |
| the capital investment on energy conservation equipment                      | Nil                                                      |

| <b>(B) Technology Absorption</b>                                                                                        |     |
|-------------------------------------------------------------------------------------------------------------------------|-----|
| the efforts made toward technology absorption                                                                           | Nil |
| the benefits derived like product improvement, cost reduction, product development, or import substitution              | Nil |
| in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) | NA  |
| the details of technology imported;                                                                                     | NA  |
| the year of import                                                                                                      | NA  |
| whether the technology been fully absorbed                                                                              | NA  |
| if not fully absorbed, areas where absorption has not taken place, and the reasons thereof                              | NA  |
| the expenditure incurred on Research and Development                                                                    | Nil |



## 8. FOREIGN EXCHANGE EARNINGS AND OUTGO: NIL

|    |                                                                                 |     |
|----|---------------------------------------------------------------------------------|-----|
| a. | Foreign Exchange earned in terms of actual inflows during the year under report | NIL |
| b. | Foreign Exchange outgo in terms of actual outflows during the year under report | NIL |

## 9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

The related party transactions that were entered into during the financial year 2022-2023 are furnished in **Annexure A**.

## 10. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

The Board of Directors duly met 8 times during the year on 21.04.2022, 31.05.2022, 30.06.2022, 08.07.2022, 25.08.2022, 14.11.2022, 22.11.2022 & 08.03.2022. The intervening gap between any two meetings was within the period prescribed under the provisions of section 173 of the Companies Act, 2013. The number of Board Meetings attended by each of the Directors of the Company held during the financial year

for 2022-23 is as follows:

| Sl No | Name of the Director | Total Number of Board Meetings | No. of Meeting attended by the Directors |
|-------|----------------------|--------------------------------|------------------------------------------|
| 1     | K S Eswarappa        | 8                              | 2                                        |
| 2     | K E Kantesh          | 8                              | 8                                        |
| 3     | K Shankar            | 8                              | 8                                        |

## 11. GENERAL MEETINGS HELD DURING THE YEAR:

During the year under review, the 9<sup>th</sup> AGM was held on 16<sup>th</sup> September, 2022.

## 12. DIRECTORS RESPONSIBILITY STATEMENT:

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The directors had selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;

- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **13.DETAILS AS PER RULE 2(1)(c)(VIII) OF COMPANIES (ACCEPTANCE OF DEPOSITS) RULES, 2014:**

Details of the amount received from a person who, at the time of the receipt of the amount, was a director of the Company or a relative of the Director of the private Company are as follows:

| <b>Related Party</b> | <b>Nature of Relationship</b> | <b>Nature of Transaction</b> | <b>Total Money Borrowed during the year</b> |
|----------------------|-------------------------------|------------------------------|---------------------------------------------|
| Kantesh K E          | Director                      | Loan borrowed by the Company | Rs.40,00,000/-                              |
| Jyothi K E           | Relative of Director          | Loan borrowed by the Company | Rs.14,00,000/-                              |

### **14.COMPLIANCE WITH SECRETARIAL STANDARDS:**

During the financial year under review, Secretarial Standard - 1 (Secretarial Standard on Meetings of the Board of Directors), Secretarial Standard - 2 (Secretarial Standard on General Meetings), and Secretarial Standard- 3 (Secretarial Standard on Dividend) were issued and notified by the Institute of Company Secretaries of India has been complied with by the Company to the extent applicable.

### **15.STATUTORY AUDITOR:**

CA. Srinidhi K P, Chartered Accountant (Membership No. 234489), was appointed as Statutory Auditor of the Company at the 7<sup>th</sup> Annual General Meeting to hold office till the conclusion of 12<sup>th</sup> AGM of the Company to be held in the year 2025, and the Board is authorized to fix the remuneration of the statutory auditor.

### **16.DETAILS OF DIRECTORS WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR:**

There is no change in the composition of the Board of directors during the year under report.

**17. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE DIRECTORS' REPORT:**

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relates on the date of this report.

**18. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:**

The Board of Directors has approved the Risk Management Policy for the Company in accordance with the provisions of the Companies Act, 2013. The Risk Policy document has in its scope the establishment of a process for risk assessment, identification of risks, both internal and external, and a detailed process for evaluation and treatment of risks. The Risks identified and the steps taken to mitigate risks shall be reviewed and shall be placed before the Board from time to time.

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

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

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

There were no loans, guarantees, or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

**21. COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION, AND DISCHARGE OF THEIR DUTIES:**

The provisions of Section 178(1) relating to the constitution of the Nomination and Remuneration Committee do not apply to the Company, and hence the Company has not devised any policy relating to the appointment of Directors, payment of Managerial remuneration, Director's qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

**22. SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATE COMPANIES:**

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

### **23.DEPOSITS:**

The details relating to deposits covered under Chapter V of the Act:

|                                                                                                                                                                                  |     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| 1. Accepted during the year                                                                                                                                                      | NIL |
| 2. Remained unpaid or unclaimed as of the end of the year                                                                                                                        | NIL |
| 3. Whether there has been any default in repayment of deposits or payment of Interest thereon during the year, and if so, the number of such cases and the total amount involved | NIL |
| 4. At the beginning of the year                                                                                                                                                  |     |
| 5. Maximum during the year                                                                                                                                                       |     |
| 6. At the end of the year                                                                                                                                                        |     |
| 7. The details of deposits which are not in compliance with the requirements of Chapter V of the Act                                                                             |     |

### **24.DECLARATION BY INDEPENDENT DIRECTORS:**

The Company being a private Company, provisions of Section 149 of the Act for the appointment of Independent Directors do not apply to the Company. Hence statement on the declaration to be given by independent directors is not provided.

### **25.DISCLOSURE ON COMPOSITION OF AUDIT COMMITTEE:**

The provisions of Section 177 of the Companies Act, 2013, read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013, do not apply to the Company.

### **26.DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There are no significant material orders passed by the courts/regulators or tribunals impacting the going concern status and the Company's operations in the future.

### **27.DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OF THE COMPANIES ACT, 2013 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:**

There are no frauds reported by Auditors under sub-section (12) of Section 143 of the Companies Act, 2013 other than those which are reportable to the central government.

### **28.DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION, AND REDRESSAL) ACT,2013:**

During the year, no sexual harassment complaints have been received and disposed of by the Company.

**29.DETAILS OF THE ESTABLISHMENT OF A VIGIL MECHANISM TO FACILITATE DIRECTORS AND EMPLOYEES TO REPORT GENUINE CONCERNS TO THE COMPANY PURSUANT TO SUBSECTION (10) OF SECTION 177 OF THE COMPANIES ACT,2013:**

The establishment of Vigil Mechanism to facilitate Directors and employees to report genuine concerns to the Company pursuant to the provisions of sub section (10) of Section 177 of the Companies Act, 2013 is not applicable.

**30.STAFF-MANAGEMENT RELATIONSHIP:**

The staff management relationship during the year under review has been quite cordial and harmonious.

**31.THE NAMES OF COMPANIES THAT HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES, OR ASSOCIATE COMPANIES DURING THE YEAR:**

The Board of Directors reports that during the year under report, no Bodies Corporate has become or ceased to be Subsidiary, Joint venture, or Associate Company of the Company.

**32.EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS, OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS:**

There were no qualifications, reservations, or adverse remarks made by the Auditors in their report.

**33.SECRETARIAL AUDIT REPORT:**

The Secretarial Audit Report by a Company Secretary in Practice pursuant to the provisions of section 204 of the Companies Act, 2013 does not apply to the Company.

**34. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds that were required to be transferred to Investor Education and Protection Fund (IEPF).

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company need not file any form and upload the details of unpaid and unclaimed amounts, as no amount is lying with the Company, as on the date of last AGM.

**35. MAINTAINANCE OF COST RECORDS:**

The provisions of section 148 of the Companies act, 2013 do not apply to the Company so the Company is not required to maintain cost records under the aforesaid section.

**36. THE WEB ADDRESS, IF ANY, WHERE ANNUAL RETURN REFERRED TO IN SUB-SECTION (3) OF SECTION 92 HAS BEEN PLACED:**

As the Company does not have its own website, the details relating to where the copy of the Annual Return is uploaded is not applicable to the Company.

**37. PARTICULARS OF EMPLOYEES:**

No employee received remuneration in excess of the limits prescribed under the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and hence the prescribed information is not required to be given.

**38. INTERNAL FINANCE CONTROLS:**

The Board believes that policies and procedures adopted by the Company to ensure orderly and efficient conduct of its business, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, it has adequate Internal Controls commensurate with the size and operations of the Company.

**39. DETAILS OF PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:**

During the year under reporting, there was no application made, and also, no proceedings were pending under the Insolvency and Bankruptcy Code, 2016 (IBC, 2016). Hence, the details relating to proceedings under IBC, 2016, and their status at the end of the financial year were not offered.

**40. DETAILS OF THE DIFFERENCE AMOUNT OF THE VALUATION AT THE TIME OF ONE TIME SETTLEMENT AND VALUATION AT THE TIME OF AVAILING LOANS FROM A BANK OR FINANCIAL INSTITUTION:**

The Company has not entered any one-time settlement with any of its lenders. Hence, disclosure relating to the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a loan from the Banks or Financial Institutions and its reasons are not applicable.

#### **41.ACKNOWLEDGEMENTS:**

Your directors place on record their sincere thanks to Bankers, Employees, Business Associates, Auditors, Company Secretary, and various Government Authorities for their continued support extended to the Company.

#### **42.DIRECTOR'S DECLARATION:**

During the year, notices of all the Board Meetings have been duly served to all the Directors of the Company, and notice of the general meeting has been duly served to all the members of the Company.

The Board Meetings and General Meeting have been duly convened and held, and minutes of Board Meetings and General Meeting have been prepared and maintained as per the provisions of the Companies Act, 2013. The Company has maintained all applicable registers/records and made entries therein within the prescribed time as per the provisions of the Companies Act, 2013.

**For SHREE MARIKAMBA MICRO FINANCE PRIVATE LIMITED**



**K E Kantesh  
Director**

**DIN: 00686990**

# Jayalakshmi, Main Road,  
Gundappa Shed, Malleshwara Nagara,  
Shimoga-577201



**K Shankar  
Director**

**DIN: 06793871**

# Mahalakshmi Nilaya, Gandharva Nagara,  
N T Road, New Mandli,  
Shivamogga-577202

**Place: Shivamogga**

**Date: 01.09.2023**

**ANNEXURE - A**

**FORM NO. AOC-2**

***[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013, and Rule s8(2) of the Companies (Accounts) Rules, 2014]***

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis.**

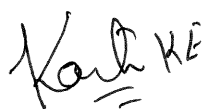
There were no contracts or arrangements or transactions entered into during the period ended 31<sup>st</sup> March, 2023 which were not at arm's length basis.

**2. Details of material contracts or arrangements or transactions at arm's length basis.**

The details of material contracts or arrangements or transactions at arm's length basis for the period ended March 31, 2023 are as follows:

| Name of related party                   | Nature of relationship             | Duration of contract  | Salient terms of the contracts | Date of Board meeting approval                                                                                                                                   | Amount (In Rs.) |
|-----------------------------------------|------------------------------------|-----------------------|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Sri Marikamba Grameena Abhiruddhi Trust | Enterprise under Common Management | On-going Transactions | Professional fee               | Transactions are at arm's length price, and approval is not applicable as stated under 3 <sup>rd</sup> proviso to sub-sec 1 of sec 188 of the Companies Act 2013 | Rs.9,15,000/-   |

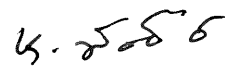
**For SHREE MARIKAMBA MICRO FINANCE PRIVATE LIMITED**



**K E Kantesh  
Director**

**DIN: 00686990**

# Jayalakshmi, Main Road,  
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Shimoga-577201

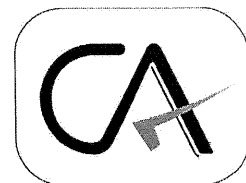


**K Shankar  
Director**

**DIN: 06793871**

# Mahalakshmi Nilaya, Gandharva Nagara,  
N T Road, New Mandli,  
Shivamogga-577202





## **INDEPENDENT AUDITOR'S REPORT**

To The Members of SHREE MARIKAMBA MICRO FINANCE PVT LTD,

### **Report on the Audit of the Financial Statements:**

#### **Opinion:**

I have audited the accompanying financial statements of SHREE MARIKAMBA MICRO FINANCE PVT LTD ('the Company'), which comprise the Balance sheet as at 31<sup>st</sup> March 2023, and the statement of Profit and Loss and statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2023, and profit and its Cash Flows for the year ended on that date.

#### **Basis for Opinion:**

I conducted my audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on the financial statements.

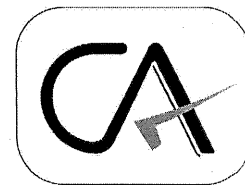
#### **Information Other than the Financial Statements and Auditor's Report Thereon:**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the course of my audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.



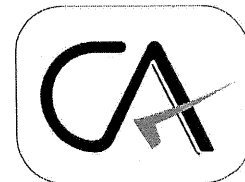
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I give in the **Annexure A**, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. **As required by Section 143 (3) of the Act, I report that:**
  - a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
  - b) In my opinion proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
  - c) The balance sheet, the statement of profit and loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) Reporting with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls is not applicable to the company.



**Responsibilities of Management and Those charged with Governance for the Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

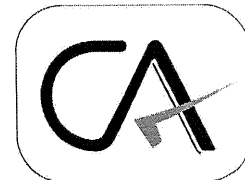
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

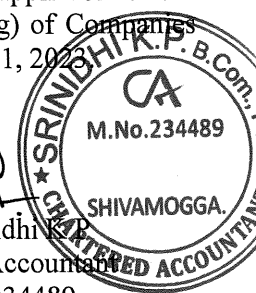
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 financial controls 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, I am also responsible for expressing my 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.



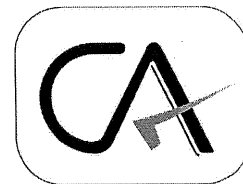
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:
- i. The Company does not have any pending litigations which would impact its financial position except pending income tax appeal for the A.Y.2017-18, the potential impact of the same is considered by the company to be contingent liability as detailed in note.7 of notes on accounts.
- 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.
- iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 16 of notes on accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 16 of notes on accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to my notice that has caused me to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under sub-clause (a) and (b) above, contain any material misstatement.
- v. The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Place: Shivamogga  
Date: 01.09.2023

  
CA.Srinidhi K.P.  
Chartered Accountant  
M.No.234489



UDIN: 23234489BGYNEJ9664

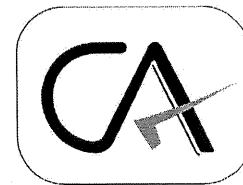


**Annexure - A**

**Annexure referred to in paragraph 1 of "Report on other Legal and Regulatory Requirements" of my report of even date**

In terms of the information and explanations sought by me and given by the Company and the books of account and records examined by me in the normal course of audit and to the best of my knowledge and belief, I report that:

- i. a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company has maintained proper records showing full particulars of Intangible assets.
- b) The Company has a regular program of physical verification of its Property, Plant and Equipment under which the assets are physically verified in a phased manner over a period of three years, which, in my opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.
- c) The Company does not own any immovable property. Accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year.
- e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, the requirement to report on clause 3(i)(e) of the Order is not applicable to the Company.
- ii. a) The Company's business does not involve inventories and, accordingly reporting under clause 3(ii) of the order is not applicable to the Company.
- b) The Company has not been sanctioned working capital limits in excess of Rupees five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company
- iii. a) During the year the company has not made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties *except as part of its business of providing microfinance loans*. Since the principal business of the Company is to give loans, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- b) During the year the terms and conditions of the grant of all loans and advances in the nature of loans as part of its business of providing microfinance loans are not prejudicial to the Company's interest.
- c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing microfinance loans, the schedule of repayment of principal and payment of interest has been stipulated by the company adhering to guidelines of RBI master circular. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish individual loan account wise



details of amount, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause), in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

Further, except for those instances where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification in note 23 of notes on accounts in accordance with guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

- d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2023, the company has classified the same as substandard asset and made provision adhering to guidelines of RBI master circular. Asset classification and related provision are disclosed in note 23 of notes on accounts. In such instances, in my opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.
- e) Since the principal business of the Company is to give loans, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

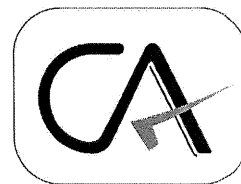
- iv. There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- vii.
  - a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to me and based on audit procedures performed by me, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - b) There are no dues of goods and services tax, provident fund, employees' state insurance, sales-tax, service tax, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.



However according to the information and explanations given to me, the following dues of income tax have not been deposited by the company on account of the dispute:

| Name of Statute      | Nature of dues                         | Amount (in Rs thousands) | Period to which the amount relates | Forum where dispute is pending       | Remarks                                  |
|----------------------|----------------------------------------|--------------------------|------------------------------------|--------------------------------------|------------------------------------------|
| Income Tax Act, 1961 | Income Tax (Tax on regular assessment) | 867.59                   | Assessment Year 2017-18            | Commissioner of Income Tax (Appeals) | Detailed in note.7 of notes on accounts. |

- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.  
b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.  
c) Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.  
d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.  
e) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- x. a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.  
b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.  
b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by my audit.  
c) As represented to me by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.



- xiii. Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. In my opinion and based on my examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013. Accordingly, the requirement to report on clause 3(xiv)(a) and (b) of the Order is not applicable to the Company.
- xv. The Company has not entered into any non- cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. a) The Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).  
b) The Company has not conducted any Non- Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934  
c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.  
d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company
- xvii. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in note 22 of the notes on accounts, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, my knowledge of the Board of Directors and management plans and based on my examination of the evidence supporting the assumptions, nothing has come to my attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. I, however, state that this is not an assurance as to the future viability of the Company. I further state that my reporting is based on the facts up to the date of the audit report and I neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and accordingly reporting under clause (xx) of the Order is not applicable to the Company.



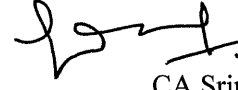
**CA.Srinidhi K.P.**  
B.com, FCA  
**Chartered Accountant**

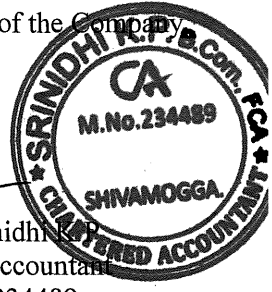
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- xxi. The reporting under clause (xxi) is not applicable in respect of audit of financial statements of the Company.  
Accordingly, no comment has been included in respect of said clause under this report.

Place: Shivamogga  
Date: 01.09.2023

  
CA.Srinidhi K.P.  
Chartered Accountant  
M.No.234489  
UDIN: 23234489BGYNEJ9664



**SHREE MARIKAMBA MICRO FINANCE PVT LTD**

Jayalakshmi Nilaya, Main Road, Malleshwaranagara, Shivamogga -577 201, CIN: U67100KA2014PTC073382

**BALANCE SHEET AS AT 31.03.2023**

| Particulars                                                        | Note No. | As at 31.03.2023         | As at 31.03.2022   |
|--------------------------------------------------------------------|----------|--------------------------|--------------------|
|                                                                    |          | (Amount in Rs thousands) |                    |
| <b>I. EQUITY AND LIABILITIES</b>                                   |          |                          |                    |
| <b>1 Shareholders' funds</b>                                       |          |                          |                    |
| (a) Share capital                                                  | 2        | 54,993.60                | 54,993.60          |
| (b) Reserves and Surplus                                           | 3        | 10,610.39                | 8,728.80           |
| <b>2 Share application money pending allotment</b>                 |          | -                        | -                  |
| <b>3 Non-current liabilities</b>                                   |          |                          |                    |
| (a) Long-term borrowings                                           | 4        | -                        | -                  |
| (b) Deferred tax liabilities (Net)                                 | 5        | -                        | -                  |
| (c) Other long-term liabilities                                    |          | -                        | -                  |
| (d) Long-term provisions                                           |          | -                        | -                  |
| <b>4 Current liabilities</b>                                       |          |                          |                    |
| (a) Short- term borrowings                                         | 6        | 56,463.32                | 56,911.70          |
| (b) Trade payables                                                 | 7        | -                        | -                  |
| i) Payables to micro enterprises and small enterprises; and        |          | -                        | -                  |
| ii) Payables to other than micro enterprises and small enterprises |          | -                        | -                  |
| (c) Other current liabilities                                      | 8        | 270.40                   | 239.95             |
| (d) Short- term provisions                                         | 9        | 6,946.77                 | 6,591.94           |
| <b>TOTAL</b>                                                       |          | <b>1,29,284.48</b>       | <b>1,27,465.99</b> |
| <b>II. ASSETS</b>                                                  |          |                          |                    |
| <b>1 Non-current assets</b>                                        |          |                          |                    |
| (a) Property, Plant & Equipment & Intangible Assets                | 10       |                          |                    |
| (i) Property, Plant & Equipment                                    |          | 212.05                   | 288.97             |
| (ii) Intangible assets                                             |          | 0.00                     | 0.00               |
| (iii) Capital work-in-progress                                     |          | -                        | -                  |
| (b) Non - current investments                                      |          | -                        | -                  |
| (c) Deferred tax assets (Net)                                      | 5        | 124.93                   | 113.81             |
| (d) Loan to customers                                              | 11       | 45,207.43                | 37,637.11          |
| (e) Long-term loans and advances                                   | 12       | 649.85                   | 374.94             |
| (f) Other non-current assets                                       | 13       | 493.07                   | 493.07             |
| <b>2 Current assets</b>                                            |          |                          |                    |
| (a) Current investments                                            |          | -                        | -                  |
| (b) Trade receivables                                              | 14       | -                        | -                  |
| (c) Cash and bank balances                                         | 15       | 3,666.62                 | 3,859.33           |
| (d) Loan to customers                                              | 16       | 77,974.16                | 83,836.88          |
| (e) Short-term loans and advances                                  | 17       | 39.94                    | 10.90              |
| (f) Other current assets                                           | 18       | 916.44                   | 850.97             |
| <b>TOTAL</b>                                                       |          | <b>1,29,284.48</b>       | <b>1,27,465.99</b> |
| Significant Accounting policies & notes on accounts                | 1        |                          |                    |

For and on behalf of the Board

Vide my report of even date

*Kantesh KE*

KANTESH KE  
DIRECTOR  
DIN: 00686990

*S. Shankar*

KRISHNAMURTHY SHANKAR  
DIRECTOR  
DIN: 06793871

*[Signature]*

CA. SRINIDHI K.P.  
CHARTERED ACCOUNTANT  
M.No.234489



Place : Shivamogga  
Date : 01.09.2023

UDIN : 23234489 BY NE JA 664  
Place and Date: Shivamogga 01.09.23

**SHREE MARIKAMBA MICRO FINANCE PVT LTD**

Jayalakshmi Nilaya, Main Road, Malleshwaranagara , Shivamogga -577 201, CIN: U67100KA2014PTC073382

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2023**

| Particulars                                                                     | Note No. | For the year ended       | For the year ended |
|---------------------------------------------------------------------------------|----------|--------------------------|--------------------|
|                                                                                 |          | 31.03.2023               | 31.03.2022         |
|                                                                                 |          | (Amount in Rs thousands) |                    |
| I. Revenue from operations                                                      | 19       | 21,584.21                | 19,864.27          |
| II. Other income                                                                | 20       | 4.33                     | 0.68               |
| <b>III. Total Income (I + II)</b>                                               |          | <b>21,588.54</b>         | <b>19,864.95</b>   |
| <b>IV. Expenses:</b>                                                            |          |                          |                    |
| Employee benefit expense                                                        | 21       | 3,276.70                 | 2,977.79           |
| Finance cost                                                                    | 22       | 5,492.37                 | 4,601.67           |
| Depreciation and amortization expense                                           | 10       | 108.23                   | 110.14             |
| Other expense                                                                   | 23       | 3,165.31                 | 2,014.16           |
| Provisions and write offs                                                       | 24       | 417.98                   | 348.30             |
| <b>Total expenses</b>                                                           |          | <b>12,460.59</b>         | <b>10,052.06</b>   |
| <b>V. Profit before exceptional items, extraordinary items and tax (III-IV)</b> |          | <b>9,127.95</b>          | <b>9,812.89</b>    |
| VI. Exceptional items                                                           |          | -                        | -                  |
| <b>VII. Profit before extraordinary items and tax (V - VI)</b>                  |          | <b>9,127.95</b>          | <b>9,812.89</b>    |
| VIII. Extraordinary items                                                       |          | -                        | -                  |
| <b>IX. Profit before tax (VII- VIII)</b>                                        |          | <b>9,127.95</b>          | <b>9,812.89</b>    |
| X. Tax expense:                                                                 |          |                          |                    |
| (1) Current tax                                                                 |          | 2,308.06                 | 2,480.18           |
| (2) Deferred tax                                                                |          | (11.12)                  | (8.87)             |
| (3) Taxes of earlier years                                                      |          | -                        | -                  |
| <b>XI. Profit/(loss) for the period from continuing operations (VII-VIII)</b>   |          | <b>6,831.01</b>          | <b>7,341.57</b>    |
| XII. Profit/(loss) from discontinuing operations                                |          | -                        | -                  |
| XIII. Tax expense of discontinuing operations                                   |          | -                        | -                  |
| <b>XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>  |          | <b>-</b>                 | <b>-</b>           |
| <b>XV. Profit/(loss) for the period (XI + XIV)</b>                              |          | <b>6,831.01</b>          | <b>7,341.57</b>    |
| <b>EARNINGS PER SHARE</b>                                                       |          |                          |                    |
| Basic                                                                           |          | 12.42                    | 13.35              |
| Diluted                                                                         |          | 12.42                    | 13.35              |
| (Nominal value per share: Rs.100, previous year: Rs.100)                        |          |                          |                    |
| Significant Accounting policies & notes on accounts                             | 1        |                          |                    |

For and on behalf of the Board

Vide my report of even date

*Kantesh K E*

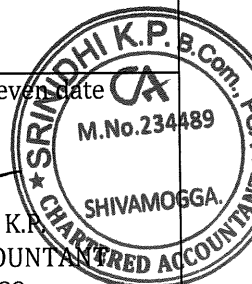
KANTESH K E  
DIRECTOR  
DIN: 00686990

*K. Shankar*

KRISHNAMURTHY SHANKAR  
DIRECTOR  
DIN: 06793871

*Srinidhi K.P.*

CA.SRINIDHI K.P.  
CHARTERED ACCOUNTANT  
M.No.234489



Place : Shivamogga  
Date : 01.09.2023

UDIN : 23234489 BGYNESJ9664  
Place and Date: Shivamogga/01.09.23

**SHREE MARIKAMBA MICRO FINANCE PVT LTD**

Jayalakshmi Nilaya, Main Road, Malleshwaranagara , Shivamogga -577 201, CIN: U67100KA2014PTC073382

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2023**

| Particulars                                                 | For the year ended       | For the year ended |
|-------------------------------------------------------------|--------------------------|--------------------|
|                                                             | 31.03.2023               | 31.03.2022         |
|                                                             | (Amount in Rs thousands) |                    |
| <b>Cash flows from operating activities</b>                 |                          |                    |
| Profit after taxation                                       | 6,831.01                 | 7,341.57           |
| <b>Adjustments for:</b>                                     |                          |                    |
| Depreciation & amortization                                 | 108.23                   | 110.14             |
| Interest expense                                            | 5,430.40                 | 4,465.82           |
| Provision for current Tax                                   | 2,308.06                 | 2,480.18           |
| Provision for Deferred tax                                  | (11.12)                  | (8.87)             |
| Provision for standard and non performing assets            | 417.98                   | 348.30             |
| <b>Working capital changes:</b>                             |                          |                    |
| (Increase) / Decrease in Loan to customers (Non current)    | (7,570.31)               | (1,296.37)         |
| (Increase) / Decrease in long term loans and advances       | -                        | -                  |
| (Increase) / Decrease in other non current assets           | -                        | -                  |
| (Increase) / Decrease in Loan to customers (Current)        | 5,862.72                 | (11,907.77)        |
| (Increase) / Decrease in Short-term loans and advances      | (29.04)                  | (0.16)             |
| (Increase) / Decrease in other current assets               | (65.46)                  | (44.47)            |
| Increase / (Decrease) in Short-term borrowings              | (448.38)                 | 10,987.56          |
| Increase / (Decrease) in Trade payables                     | -                        | -                  |
| Increase / (Decrease) in Other current liabilities          | 49.35                    | 11.47              |
| Increase / (Decrease) in short term provisions              | -                        | -                  |
| <b>Cash generated from operations</b>                       | <b>12,883.43</b>         | <b>12,487.42</b>   |
| Direct taxes paid (Net of refund)                           | (2,646.12)               | (2,457.64)         |
| <b>Net cash from operating activities</b>                   | <b>10,237.31</b>         | <b>10,029.78</b>   |
| <b>Cash flows from investing activities</b>                 |                          |                    |
| Purchase of Fixed Assets                                    | (31.30)                  | -                  |
| Investment in Fixed Deposit(Including accrued interest)     | (145.04)                 | (153.26)           |
| <b>Net cash used in investing activities</b>                | <b>(176.34)</b>          | <b>(153.26)</b>    |
| <b>Cash flows from financing activities</b>                 |                          |                    |
| Interest expense                                            | (5,430.40)               | (4,465.82)         |
| Payment of dividends                                        | (4,968.32)               | (4,894.52)         |
| Payment of dividend distribution tax                        | -                        | -                  |
| Proceeds from issue of equity shares                        | -                        | -                  |
| <b>Net cash used in financing activities</b>                | <b>(10,398.72)</b>       | <b>(9,360.34)</b>  |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>(337.75)</b>          | <b>516.18</b>      |
| <b>Cash and cash equivalents at the beginning of period</b> | <b>678.66</b>            | <b>162.48</b>      |
| <b>Cash and cash equivalents at the end of period</b>       | <b>340.91</b>            | <b>678.66</b>      |

For and on behalf of the Board

Vide my report of even date



KANTESHA K E  
DIRECTOR  
DIN: 00686990



KRISHNAMURTHY SHANKAR  
DIRECTOR  
DIN: 06793871



CA.SRINIDHI K.P.  
CHARTERED ACCOUNTANT  
M.No.234489



Place : Shivamogga  
Date : 01.09.2023

UDIN : 23234489B6YNES9664  
Place and Date: Shivamogga/01.09.23

**SHREE MARIKAMBA MICRO FINANCE PVT LTD**

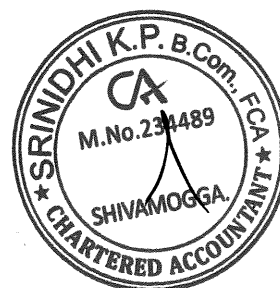
Jayalakshmi Nilaya, Main Road, Malleshwaranagara, Shivamogga -577 201, CIN: U67100KA2014PTC073382

| NOTES FORMING PART OF FINANCIAL STATEMENTS 2022-23                                                                                                                                   |                                                 |                                                                                     | As at 31.03.2023            |                                                                                       | As at 31.03.2022         |                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------------------------------------------------|--------------------------|------------------------|
| NOTE-2                                                                                                                                                                               | Share capital                                   |                                                                                     | No. of Shares               | Amount in Rs thousands                                                                | No. of Shares            | Amount in Rs thousands |
|                                                                                                                                                                                      | Authorised share capital                        |                                                                                     |                             |                                                                                       |                          |                        |
|                                                                                                                                                                                      | Equity shares of Rs. 100/- each.                |                                                                                     | 600000                      | 60,000                                                                                | 600000                   | 60,000                 |
|                                                                                                                                                                                      | Issued share capital                            |                                                                                     |                             |                                                                                       |                          |                        |
|                                                                                                                                                                                      | Equity shares of Rs. 100/- each.                |                                                                                     | 549936                      | 54,994                                                                                | 549936                   | 54,994                 |
|                                                                                                                                                                                      | Subscribed & paid up share capital              |                                                                                     |                             |                                                                                       |                          |                        |
|                                                                                                                                                                                      | Equity shares of Rs. 100/- each fully paid      |                                                                                     | 549936                      | 54,994                                                                                | 549936                   | 54,994                 |
|                                                                                                                                                                                      | Total                                           |                                                                                     | 549936                      | 54,994                                                                                | 549936                   | 54,994                 |
|                                                                                                                                                                                      | Reconciliation of Shares                        |                                                                                     | No. of Shares               | Amount in Rs thousands                                                                | No. of Shares            | Amount in Rs thousands |
|                                                                                                                                                                                      | Equity Shares :                                 |                                                                                     |                             |                                                                                       |                          |                        |
|                                                                                                                                                                                      | Shares outstanding at the beginning of the year |                                                                                     | 549936                      | 54,994                                                                                | 549936                   | 54,994                 |
|                                                                                                                                                                                      | Shares issued during the year                   |                                                                                     | -                           | -                                                                                     | -                        | -                      |
|                                                                                                                                                                                      | Shares bought back during the year              |                                                                                     | -                           | -                                                                                     | -                        | -                      |
|                                                                                                                                                                                      | Shares outstanding at the end of the year       |                                                                                     | 549936                      | 54,994                                                                                | 549936                   | 54,994                 |
|                                                                                                                                                                                      | Shareholder name                                |                                                                                     | No. of Shares               | % of total shares                                                                     | No. of Shares            | % of total shares      |
|                                                                                                                                                                                      | Particulars of shareholding more than 5%        |                                                                                     |                             |                                                                                       |                          |                        |
| Equity Shares :                                                                                                                                                                      |                                                 |                                                                                     |                             |                                                                                       |                          |                        |
| 1                                                                                                                                                                                    | KANTESH K E                                     | 51500                                                                               | 9.36%                       | 44800                                                                                 | 8.15%                    |                        |
|                                                                                                                                                                                      | Promoter name                                   | % Change during the year*                                                           | No. of Shares               | % of total shares                                                                     | No. of Shares            | % of total shares      |
| Particulars of Promoter's Shareholding                                                                                                                                               |                                                 |                                                                                     |                             |                                                                                       |                          |                        |
| Equity Shares :                                                                                                                                                                      |                                                 |                                                                                     |                             |                                                                                       |                          |                        |
| 1                                                                                                                                                                                    | KANTESH K E                                     | 14.96%                                                                              | 51500                       | 9.36%                                                                                 | 44800                    | 8.15%                  |
| 2                                                                                                                                                                                    | ESHWARAPPA K S                                  | 0.00%                                                                               | 15000                       | 2.73%                                                                                 | 15000                    | 2.73%                  |
| 3                                                                                                                                                                                    | KRISHNAMURTHY SHANKAR                           | 0.00%                                                                               | 7000                        | 1.27%                                                                                 | 7000                     | 1.27%                  |
| Total                                                                                                                                                                                |                                                 | 14.96%                                                                              | 73500                       | 13.37%                                                                                | 66800                    | 12.15%                 |
| *percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue. |                                                 |                                                                                     |                             |                                                                                       |                          |                        |
| Aggregate number and class of shares For the period of five years immediately preceding the balance sheet date allotted as                                                           |                                                 |                                                                                     | As at 31.03.2023            |                                                                                       | As at 31.03.2022         |                        |
| Equity Shares :                                                                                                                                                                      |                                                 |                                                                                     |                             |                                                                                       |                          |                        |
| Fully paid up pursuant to contract(s) without payment being received in cash                                                                                                         |                                                 |                                                                                     | NIL                         |                                                                                       | NIL                      |                        |
| Fully paid up by way of bonus shares                                                                                                                                                 |                                                 |                                                                                     | NIL                         |                                                                                       | NIL                      |                        |
| Shares bought back                                                                                                                                                                   |                                                 |                                                                                     | NIL                         |                                                                                       | NIL                      |                        |
| Unpaid Calls                                                                                                                                                                         |                                                 |                                                                                     | As at 31.03.2023            |                                                                                       | As at 31.03.2022         |                        |
|                                                                                                                                                                                      |                                                 |                                                                                     | (Amount in Rs thousands)    |                                                                                       | (Amount in Rs thousands) |                        |
| By Directors                                                                                                                                                                         |                                                 |                                                                                     | NIL                         |                                                                                       | NIL                      |                        |
| By Officers                                                                                                                                                                          |                                                 |                                                                                     | NIL                         |                                                                                       | NIL                      |                        |
| Note: For other disclosure relating to share capital refer Note 1 to Notes on accounts                                                                                               |                                                 |                                                                                     |                             |                                                                                       |                          |                        |
| For and on behalf of the Board                                                                                                                                                       |                                                 |                                                                                     |                             |                                                                                       |                          |                        |
|                                                                                                   |                                                 |  |                             |  |                          |                        |
| KANTHESH K E                                                                                                                                                                         |                                                 | KRISHNAMURTHY SHANKAR                                                               |                             | CA.SRINIDHI K.P.B.                                                                    |                          |                        |
| DIRECTOR                                                                                                                                                                             |                                                 | DIRECTOR                                                                            |                             | CHARTERED ACCOUNTANT                                                                  |                          |                        |
| DIN: 00686990                                                                                                                                                                        |                                                 | DIN: 06793871                                                                       |                             | M.No.234489                                                                           |                          |                        |
| Place : Shivamogga                                                                                                                                                                   |                                                 |                                                                                     | Place and Date: Shivamogga/ |                                                                                       |                          |                        |
| Date : 01.09.2023                                                                                                                                                                    |                                                 |                                                                                     | 01.09.2023                  |                                                                                       |                          |                        |

**SHREE MARIKAMBA MICRO FINANCE PVT LTD**

Jayalakshmi Nilaya, Main Road, Malleshwaranagara , Shivamogga -577 201, CIN: U67100KA2014PTC073382

| NOTES FORMING PART OF FINANCIAL STATEMENTS 2022-23 |                                                                                                                                                                         |                  | 2022-23                  | 2021-22           |
|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------------|-------------------|
|                                                    |                                                                                                                                                                         |                  | (Amount in Rs thousands) |                   |
| NOTE-3                                             | Reserves and Surplus                                                                                                                                                    |                  |                          |                   |
|                                                    | A). General reserve                                                                                                                                                     |                  |                          | -                 |
|                                                    | Opening balance                                                                                                                                                         |                  | -                        |                   |
|                                                    | Add : additions during the year                                                                                                                                         |                  | -                        | -                 |
|                                                    | Less : for Issuing bonus shares                                                                                                                                         |                  | -                        | -                 |
|                                                    | Closing balance                                                                                                                                                         |                  | -                        | -                 |
|                                                    | B). Surplus/ (deficit) in the statement of profit and loss                                                                                                              |                  |                          |                   |
|                                                    | Opening balance                                                                                                                                                         |                  | 1,309.57                 | 385.73            |
|                                                    | Add: Profit/Loss for the period                                                                                                                                         |                  | 6,831.01                 | 7,341.57          |
|                                                    | Less: Transfer to Statutory Reserve*                                                                                                                                    |                  | 1,366.20                 | 1,468.32          |
|                                                    | Less: Proposed Dividend/Interim Dividend                                                                                                                                |                  | 4,949.42                 | 4,949.42          |
|                                                    | Closing balance                                                                                                                                                         |                  | 1,824.95                 | 1,309.57          |
|                                                    | C). Statutory Reserve u/s 45-IC of Reserve Bank of India Act,1934                                                                                                       |                  |                          |                   |
|                                                    | Opening balance                                                                                                                                                         |                  | 7,419.23                 | 5,950.92          |
|                                                    | Add : additions during the year                                                                                                                                         |                  | 1,366.20                 | 1,468.32          |
|                                                    | Closing balance                                                                                                                                                         |                  | 8,785.43                 | 7,419.23          |
|                                                    | * The company has transfreed 20% of the profit after tax to statutory reserves in accordance with the provisions of Section 45-IC of the Reserve Bank of India Act,1934 |                  |                          |                   |
|                                                    | Total                                                                                                                                                                   |                  | 10,610.39                | 8,728.80          |
|                                                    |                                                                                                                                                                         |                  |                          |                   |
| NOTE-4                                             | Long-term borrowings                                                                                                                                                    |                  |                          |                   |
|                                                    | Secured                                                                                                                                                                 |                  |                          |                   |
|                                                    | (a) Term loans:                                                                                                                                                         |                  |                          |                   |
|                                                    | from banks                                                                                                                                                              |                  | -                        | -                 |
|                                                    | Sub total                                                                                                                                                               |                  | -                        | -                 |
|                                                    | Unsecured                                                                                                                                                               |                  |                          |                   |
|                                                    | (a) Loans and advances from related parties                                                                                                                             |                  | -                        | -                 |
|                                                    | Sub total                                                                                                                                                               |                  | -                        | -                 |
|                                                    | Total                                                                                                                                                                   |                  | -                        | -                 |
|                                                    | Repayment profile of term loan                                                                                                                                          |                  |                          |                   |
|                                                    | Loan particulars                                                                                                                                                        | Rate of Interest | Maturity year            | Amount of Default |
|                                                    | Term loan from BOB                                                                                                                                                      | N.A              | N.A                      | Nil               |
|                                                    | Unsecured loans from directors/members/relatives                                                                                                                        | N.A              | N.A                      | Nil               |



**SHREE MARIKAMBA MICRO FINANCE PVT LTD**

Jayalakshmi Nilaya, Main Road, Malleshwaranagara , Shivamogga -577 201, CIN: U67100KA2014PTC073382

| NOTES FORMING PART OF FINANCIAL STATEMENTS 2022-23 |                                                                                                       | 2022-23                  | 2021-22          |
|----------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------------|------------------|
|                                                    |                                                                                                       | (Amount in Rs thousands) |                  |
| <b>NOTE-5</b>                                      | <b>Deferred tax assets/liabilities/ (net)</b>                                                         |                          |                  |
|                                                    | <b>a) Deferred tax asset in relation to Depreciation</b>                                              |                          |                  |
|                                                    | Opening Balance of DTA                                                                                | 103.34                   | 96.26            |
|                                                    | Add: deferred tax asset for the year                                                                  | 8.24                     | 7.08             |
|                                                    | Closing deferred tax asset                                                                            | <b>111.58</b>            | <b>103.34</b>    |
|                                                    | <b>b) Deferred tax Asset in relation to others</b>                                                    |                          |                  |
|                                                    | (Expenses allowable under income tax in subsequent year)                                              |                          |                  |
|                                                    | Opening Balance of DTA                                                                                | 10.47                    | 8.68             |
|                                                    | Add: deferred tax asset for the year                                                                  | 2.88                     | 1.79             |
|                                                    | Closing deferred tax asset                                                                            | <b>13.35</b>             | <b>10.47</b>     |
|                                                    | <b>Deferred tax assets (Net)</b>                                                                      | <b>124.93</b>            | <b>113.81</b>    |
| <b>NOTE-6</b>                                      | <b>Short- term borrowings</b>                                                                         |                          |                  |
|                                                    | <b>Secured</b>                                                                                        |                          |                  |
|                                                    | (a) Loans repayable on demand from banks                                                              |                          |                  |
|                                                    | Bank of Baroda OD A/c No: 73970500000023                                                              | 9,913.32                 | 7,981.70         |
|                                                    | (Secured by first charge on book debts, Lien on the term deposits and Personal Gurantee of Directors) |                          |                  |
|                                                    | (b) Current maturities of long term debt                                                              | -                        | -                |
|                                                    | (c) Loans and advances from related parties (cum shareholders)                                        | 35,000.00                | 34,600.00        |
|                                                    | (d) Loans and advances from shareholders                                                              | 11,550.00                | 14,330.00        |
|                                                    | <b>Total</b>                                                                                          | <b>56,463.32</b>         | <b>56,911.70</b> |
|                                                    | <b>Default in repayment</b>                                                                           |                          |                  |
|                                                    | 1. Period of default                                                                                  | -                        | -                |
|                                                    | 2. Amount                                                                                             | -                        | -                |
| <b>NOTE-7</b>                                      | <b>Trade payables</b>                                                                                 |                          |                  |
|                                                    | (a) Trade payables                                                                                    | -                        | -                |
|                                                    | (b) Creditors for Capital Expenditure                                                                 | -                        | -                |
|                                                    | <b>Total</b>                                                                                          | -                        | -                |
|                                                    | Amount Payable to MSME Rs.                                                                            | -                        | -                |
|                                                    | Amount Payable to MSME beyand the period of Due Date                                                  | -                        | -                |
|                                                    | Interest Due Payable                                                                                  | -                        | -                |
|                                                    | This information is furnished as per the info available with the Co.                                  |                          |                  |
| <b>NOTE-8</b>                                      | <b>Other current liabilities</b>                                                                      |                          |                  |
|                                                    | (a) Outstanding expenses                                                                              |                          |                  |
|                                                    | Audit fee                                                                                             | 96.80                    | 88.00            |
|                                                    | Professional Charges- Internal Audit                                                                  | 40.00                    | 18.00            |
|                                                    | Professional Charges- Company Secretary                                                               | 40.00                    | 40.00            |
|                                                    | Software maintenance                                                                                  | 14.16                    | 14.16            |
|                                                    | Telephone charges                                                                                     | -                        | -                |
|                                                    | Electricity charges                                                                                   |                          | 3.10             |
|                                                    | SMS charges                                                                                           | -                        | -                |
|                                                    | Credit rating charges                                                                                 |                          | 0.81             |
|                                                    | Insurance payable                                                                                     | 28.82                    | 11.03            |
|                                                    | (b) Unclaimed dividend                                                                                | 36.00                    | 54.90            |
|                                                    | (c) Statutory liabilities                                                                             |                          |                  |
|                                                    | GST Payable                                                                                           | 14.62                    | 9.95             |
|                                                    | <b>Total</b>                                                                                          | <b>270.40</b>            | <b>239.95</b>    |



**SHREE MARIKAMBA MICRO FINANCE PVT LTD**

Jayalakshmi Nilaya, Main Road, Malleshwaranagara , Shivamogga -577 201, CIN: U67100KA2014PTC073382

| NOTES FORMING PART OF FINANCIAL STATEMENTS 2022-23 |                                                  | 2022-23                  | 2021-22          |
|----------------------------------------------------|--------------------------------------------------|--------------------------|------------------|
|                                                    |                                                  | (Amount in Rs thousands) |                  |
| <b>NOTE-9</b>                                      | <b>Short- term provisions</b>                    |                          |                  |
|                                                    | (a) Provision for non-performing assets          | 1,693.63                 | 1,579.37         |
|                                                    | (b) Contingent Provision against standard assets | 303.72                   | -                |
|                                                    | (c) Others                                       |                          |                  |
|                                                    | Income Tax/Mat                                   | -                        | 2,480.18         |
|                                                    | Less: advance Tax & TDS                          | -                        | (2,417.03)       |
|                                                    | Proposed dividend/Interim dividend               | 4,949.42                 | 4,949.42         |
|                                                    | <b>Total</b>                                     | <b>6,946.77</b>          | <b>6,591.94</b>  |
| <b>NOTE-11</b>                                     | <b>Loan to customers (Non-current)</b>           |                          |                  |
|                                                    | <b>Unsecured, considered good</b>                |                          |                  |
|                                                    | (a) Loans to SHG/JLG                             | 39,803.01                | 32,356.75        |
|                                                    | (b) Pronote loan                                 | 63.66                    | 131.17           |
|                                                    | (c) Vehicle loan                                 | 5,340.76                 | 5,149.19         |
|                                                    | <b>Total</b>                                     | <b>45,207.43</b>         | <b>37,637.11</b> |
| <b>NOTE-12</b>                                     | <b>Long-term loans and advances</b>              |                          |                  |
|                                                    | Secured, considered good                         | -                        | -                |
|                                                    | <b>Unsecured, considered good</b>                |                          |                  |
|                                                    | a) Capital advances                              | -                        | -                |
|                                                    | b) Loans and advances to related parties         | -                        | -                |
|                                                    | c) Other loans and advances                      |                          |                  |
|                                                    | Pre-deposit for income tax appeal- A.Y. 2017-18  | 175.00                   | 175.00           |
|                                                    | Income tax refund                                | 474.85                   | 199.94           |
|                                                    | Doubtful                                         | -                        | -                |
|                                                    | <b>Total</b>                                     | <b>649.85</b>            | <b>374.94</b>    |
| <b>NOTE-13</b>                                     | <b>Other non-current assets</b>                  |                          |                  |
|                                                    | <b>a) Security deposits</b>                      |                          |                  |
|                                                    | Secured, considered good                         | -                        | -                |
|                                                    | Unsecured, considered good                       |                          |                  |
|                                                    | Rental deposit                                   | 490.00                   | 490.00           |
|                                                    | MESCOM deposit                                   | 3.07                     | 3.07             |
|                                                    | <b>Total</b>                                     | <b>493.07</b>            | <b>493.07</b>    |
| <b>NOTE-14</b>                                     | <b>Trade receivables</b>                         |                          |                  |
|                                                    | Secured, considered good                         | -                        | -                |
|                                                    | Unsecured, considered good                       |                          |                  |
|                                                    | Domestic                                         | -                        | -                |
|                                                    | Export                                           | -                        | -                |
|                                                    | Unsecured, considered doubtful                   | -                        | -                |
|                                                    | Less: Provision for doubtful debts               | -                        | -                |
|                                                    | <b>Total</b>                                     | <b>-</b>                 | <b>-</b>         |





**SHREE MARIKAMBA MICRO FINANCE PVT LTD**

Jayalakshmi Nilaya, Main Road, Malleshwaranagara, Shivamogga -577 201, CIN: U67100KA2014PTC073382

Note No. 10

**Property, Plant & Equipment & Intangible Assets as at 31.03.2023**

| Property, Plant & Equipment & Intangible Assets as at 31.03.2023 |                                      |                      |           |           |                               |                |              |                    |                |                |
|------------------------------------------------------------------|--------------------------------------|----------------------|-----------|-----------|-------------------------------|----------------|--------------|--------------------|----------------|----------------|
| SL. NO.                                                          | PARTICULARS                          | Gross Carrying Value |           |           | Depreciation and amortization |                |              | Net Carrying Value |                |                |
|                                                                  |                                      | As at 01-04-22       | Additions | Deletions | As at 31-03-23                | As at 01-04-22 | for the year | Deletions          | As at 31-03-23 | As at 31-03-22 |
|                                                                  | Property, Plant & Equipment          |                      |           |           |                               |                |              |                    |                |                |
| 1                                                                | End user devices                     | 161.86               | -         | -         | 161.86                        | 161.85         | -            | -                  | 161.85         | 0.01           |
| 2                                                                | General furniture & fittings         | 456.63               | 20.00     | -         | 476.63                        | 269.62         | 47.09        | -                  | 316.71         | 187.01         |
| 3                                                                | Leasehold improvements               | 546.79               | -         | -         | 546.79                        | 527.80         | 18.99        | -                  | 546.78         | 18.99          |
| 4                                                                | Office equipments                    | 295.99               | 11.30     | -         | 307.30                        | 244.33         | 31.79        | -                  | 276.12         | 51.67          |
| 5                                                                | Electrical installation & equipments | 103.58               | -         | -         | 103.58                        | 72.28          | 10.36        | -                  | 82.64          | 31.30          |
|                                                                  | TOTAL                                | 1,564.84             | 31.30     | -         | 1,596.15                      | 1,275.87       | 108.23       | -                  | 1,384.10       | 288.97         |
|                                                                  | Intangible assets                    |                      |           |           |                               |                |              |                    |                |                |
| 1                                                                | Accounting Software                  | 75.00                | -         | -         | 75.00                         | 75.00          | -            | -                  | 75.00          | 0.00           |
|                                                                  | TOTAL                                | 75.00                | -         | -         | 75.00                         | 75.00          | -            | -                  | 75.00          | 0.00           |
| 034                                                              |                                      |                      |           |           |                               |                |              |                    |                |                |
|                                                                  | TOTAL                                | 1,639.84             | 31.30     | -         | 1,671.15                      | 1,350.87       | 108.23       | -                  | 1,459.09       | 288.97         |
|                                                                  |                                      |                      |           |           |                               |                |              |                    |                |                |
|                                                                  | PREVIOUS YEAR                        | 1,639.84             | -         | -         | 1,639.84                      | 1,240.73       | 110.14       | -                  | 1,350.87       | 399.12         |

For and on behalf of the Board

*Kantesh K E*

KANTESH K E KRISHNAMURTHY SHANKAR  
DIRECTOR  
DIN: 00686990 DIN: 06793871

*K. S. S. S.*

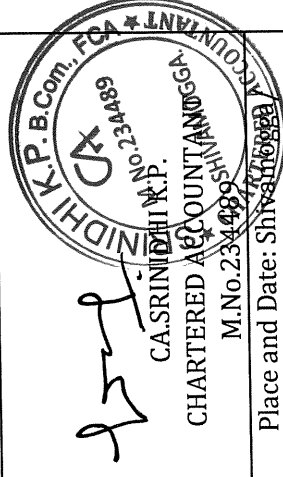
KRISHNAMURTHY SHANKAR  
DIRECTOR  
DIN: 00686990 DIN: 06793871

Place : Shivamogga

Date : 01.09.2023

Place and Date: Shivamogga

01-09-23



**SHREE MARIKAMBA MICRO FINANCE PVT LTD**

Jayalakshmi Nilaya, Main Road, Malleshwaranagara , Shivamogga -577 201, CIN: U67100KA2014PTC073382

| NOTES FORMING PART OF FINANCIAL STATEMENTS 2022-23 |                                                                    | 2022-23                  | 2021-22          |
|----------------------------------------------------|--------------------------------------------------------------------|--------------------------|------------------|
|                                                    |                                                                    | (Amount in Rs thousands) |                  |
| <b>NOTE-15</b>                                     | <b>Cash and bank balances</b>                                      |                          |                  |
|                                                    | <b>Cash and Cash Equivalents</b>                                   |                          |                  |
|                                                    | a. Balances with banks                                             |                          |                  |
|                                                    | Current account balance with banks                                 |                          |                  |
|                                                    | Bank of Baroda A/c No: 73970200000102                              | 6.32                     | 6.71             |
|                                                    | Dividend account balance with banks                                |                          |                  |
|                                                    | Bank of Baroda Dividend A/c No: 73970200000492                     | 22.59                    | 67.75            |
|                                                    | Deposits with banks (with original Maturity of 3 months or less)   | -                        | -                |
|                                                    | b. Cheques, drafts on hand                                         | -                        | -                |
|                                                    | c. Cash on hand                                                    | 312.00                   | 604.20           |
|                                                    | d. Others                                                          | -                        | -                |
|                                                    | <b>Cash and Cash Equivalents</b>                                   | <b>340.91</b>            | <b>678.66</b>    |
|                                                    | <b>Other bank balances</b>                                         |                          |                  |
|                                                    | Deposits with Banks (with original Maturity of more than 3 months) |                          |                  |
|                                                    | Bank of Baroda FD (Including accrued interest)                     | 3,325.71                 | 3,180.67         |
|                                                    | <b>Other Bank Balances</b>                                         | <b>3,325.71</b>          | <b>3,180.67</b>  |
|                                                    | <b>Total</b>                                                       | <b>3,666.62</b>          | <b>3,859.33</b>  |
| <b>NOTE-16</b>                                     | <b>Loan to customers (current)</b>                                 |                          |                  |
|                                                    | <b>Unsecured, considered good</b>                                  |                          |                  |
|                                                    | (a) Loans to SHG/JLG                                               | 75,195.64                | 81,917.56        |
|                                                    | (b) Pronote loan                                                   | 477.04                   | 397.89           |
|                                                    | (c) Vehicle loan                                                   | 2,301.48                 | 1,521.43         |
|                                                    | <b>Total</b>                                                       | <b>77,974.16</b>         | <b>83,836.88</b> |
| <b>NOTE-17</b>                                     | <b>Short-term loans and advances</b>                               |                          |                  |
|                                                    | Secured, considered good                                           | -                        | -                |
|                                                    | <b>Unsecured, considered good</b>                                  |                          |                  |
|                                                    | a) Capital advances                                                | -                        | -                |
|                                                    | b) Loans and advances to related parties                           | -                        | -                |
|                                                    | c) Other loans and advances                                        |                          |                  |
|                                                    | Advance for purchases/expenses                                     | 35.64                    | 5.80             |
|                                                    | Staff advance                                                      | -                        | -                |
|                                                    | Professionanal tax                                                 | 4.30                     | 5.10             |
|                                                    | Doubtful                                                           | -                        | -                |
|                                                    | <b>Total</b>                                                       | <b>39.94</b>             | <b>10.90</b>     |
| <b>NOTE-18</b>                                     | <b>Other current assets</b>                                        |                          |                  |
|                                                    | Interest accrued but not due on loans                              | 912.10                   | 850.63           |
|                                                    | Unclaimed GST input                                                | 4.34                     | 0.34             |
|                                                    | <b>Total</b>                                                       | <b>916.44</b>            | <b>850.97</b>    |



**SHREE MARIKAMBA MICRO FINANCE PVT LTD**

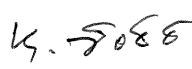
Jayalakshmi Nilaya, Main Road, Malleshwaranagara , Shivamogga -577 201, CIN: U67100KA2014PTC073382

| NOTES FORMING PART OF FINANCIAL STATEMENTS 2022-23 |                                                            | 2022-23                  | 2021-22          |
|----------------------------------------------------|------------------------------------------------------------|--------------------------|------------------|
|                                                    |                                                            | (Amount in Rs thousands) |                  |
| <b>NOTE-19</b>                                     | <b>Revenue from operations</b>                             |                          |                  |
|                                                    | <b>a) Interest income</b>                                  |                          |                  |
|                                                    | Interest from loan to customers                            | 20,297.93                | 18,688.44        |
|                                                    | Interest from fixed deposits with bank                     | 161.15                   | 170.29           |
|                                                    | <b>b) Other operating revenues</b>                         |                          |                  |
|                                                    | Processing fee                                             | 1,125.12                 | 1,005.55         |
|                                                    | <b>Total</b>                                               | <b>21,584.21</b>         | <b>19,864.27</b> |
| <b>NOTE-20</b>                                     | <b>Other income</b>                                        |                          |                  |
|                                                    | Interest on income tax refund                              | -                        | -                |
|                                                    | Other non-operating income                                 | 4.33                     | 0.68             |
|                                                    | <b>Total</b>                                               | <b>4.33</b>              | <b>0.68</b>      |
| <b>NOTE-21</b>                                     | <b>Employee benefit expense</b>                            |                          |                  |
|                                                    | Salaries & wages                                           | 1,601.11                 | 1,463.55         |
|                                                    | Directors remuneration                                     | 1,615.34                 | 1,462.39         |
|                                                    | Staff welfare expenses                                     | 60.25                    | 51.84            |
|                                                    | <b>Total</b>                                               | <b>3,276.70</b>          | <b>2,977.79</b>  |
| <b>NOTE-22</b>                                     | <b>Finance cost</b>                                        |                          |                  |
|                                                    | <b>a) Interest expense</b>                                 |                          |                  |
|                                                    | i) Interest on bank loans:                                 |                          |                  |
|                                                    | Interest on term loans                                     | -                        | -                |
|                                                    | Interest on bank overdraft                                 | 598.04                   | 626.30           |
|                                                    | ii) Interest on loan from related parties and shareholders | 4,832.36                 | 3,839.52         |
|                                                    | <b>b) Other borrowing costs</b>                            |                          |                  |
|                                                    | Processing and documentation Charges on OD                 | -                        | 82.94            |
|                                                    | Bank charges                                               | 61.98                    | 52.91            |
|                                                    | <b>Total</b>                                               | <b>5,492.37</b>          | <b>4,601.67</b>  |



**SHREE MARIKAMBA MICRO FINANCE PVT LTD**

Jayalakshmi Nilaya, Main Road, Malleshwaranagara , Shivamogga -577 201, CIN: U67100KA2014PTC073382

| NOTES FORMING PART OF FINANCIAL STATEMENTS 2022-23 |                                                                                     | 2022-23                                                                             | 2021-22                                                                               |
|----------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
|                                                    |                                                                                     | (Amount in Rs thousands)                                                            |                                                                                       |
| <b>NOTE-23</b>                                     | <b>Other expense</b>                                                                |                                                                                     |                                                                                       |
|                                                    | <b>Administrative Expenses</b>                                                      |                                                                                     |                                                                                       |
|                                                    | Rental payments                                                                     | 282.03                                                                              | 283.61                                                                                |
|                                                    | Donation to PM CARES fund                                                           | -                                                                                   | -                                                                                     |
|                                                    | Telephone charges                                                                   | 13.53                                                                               | 14.33                                                                                 |
|                                                    | Travelling and conveyance                                                           | 63.10                                                                               | 58.15                                                                                 |
|                                                    | Computer and software maintenance                                                   | 75.46                                                                               | 20.36                                                                                 |
|                                                    | Repairs and maintenance (Others)                                                    | 1.36                                                                                | 3.04                                                                                  |
|                                                    | Printing & stationery                                                               | 14.75                                                                               | 32.43                                                                                 |
|                                                    | Postage & courier                                                                   | 2.13                                                                                | 1.68                                                                                  |
|                                                    | Office expenses                                                                     | 127.63                                                                              | 172.90                                                                                |
|                                                    | Meeting expenses                                                                    | 30.75                                                                               | 25.49                                                                                 |
|                                                    | Insurance-office                                                                    | 21.01                                                                               | 15.25                                                                                 |
|                                                    | Website registration charges                                                        | -                                                                                   | 18.06                                                                                 |
|                                                    | Electricity charges                                                                 | 33.14                                                                               | 32.81                                                                                 |
|                                                    | AGM expenses                                                                        | 82.40                                                                               | 74.78                                                                                 |
|                                                    | Audit fee                                                                           |                                                                                     |                                                                                       |
|                                                    | - for Statutory audit                                                               | 72.60                                                                               | 66.00                                                                                 |
|                                                    | - for Tax audit                                                                     | 24.20                                                                               | 22.00                                                                                 |
|                                                    | Professional charges- Internal audit                                                | 40.00                                                                               | 36.00                                                                                 |
|                                                    | Professional charges- Company Secretary & secretarial Work                          | 52.80                                                                               | 51.75                                                                                 |
|                                                    | Professional charges-others                                                         | 915.00                                                                              | 920.00                                                                                |
|                                                    | Registration and renewals                                                           | 141.53                                                                              | 103.33                                                                                |
|                                                    | Legal charges                                                                       | -                                                                                   | -                                                                                     |
|                                                    | Advertisement expenses                                                              | 63.55                                                                               | -                                                                                     |
|                                                    | SMS charges                                                                         | 16.57                                                                               | 5.35                                                                                  |
|                                                    | ROC filing Fees                                                                     | 1.98                                                                                | 1.80                                                                                  |
|                                                    | Business promotion                                                                  | 1,029.43                                                                            | -                                                                                     |
|                                                    | Water charges                                                                       | 3.09                                                                                | 1.75                                                                                  |
|                                                    | Interest and Late fee to statutory authority                                        | 1.91                                                                                | -                                                                                     |
|                                                    | Service charges for credit rating                                                   | 55.36                                                                               | 53.29                                                                                 |
|                                                    | <b>Total</b>                                                                        | <b>3,165.31</b>                                                                     | <b>2,014.16</b>                                                                       |
| <b>NOTE-24</b>                                     | <b>Provisions and write offs</b>                                                    |                                                                                     |                                                                                       |
|                                                    | Provision for non-performing assets                                                 | 114.26                                                                              | 348.30                                                                                |
|                                                    | Contingent Provision against standard assets                                        | 303.72                                                                              | -                                                                                     |
|                                                    | Bad debts written off                                                               | -                                                                                   | -                                                                                     |
|                                                    | <b>Total</b>                                                                        | <b>417.98</b>                                                                       | <b>348.30</b>                                                                         |
| For and on behalf of the Board                     |                                                                                     |                                                                                     |                                                                                       |
|                                                    |  |  |  |
|                                                    | KANTESHA K E                                                                        | KRISHNAMURTHY SHANKAR                                                               | CA.SRINIDHI K.P.                                                                      |
|                                                    | DIRECTOR                                                                            | DIRECTOR                                                                            | CHARTERED ACCOUNTANT                                                                  |
|                                                    | DIN: 00686990                                                                       | DIN: 06793871                                                                       | M.No.234489                                                                           |
| Place : Shivamogga                                 |                                                                                     | Place and Date: Shivamogga/                                                         |                                                                                       |
| Date : 01.09.2023                                  |                                                                                     |                                                                                     |                                                                                       |





**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2023**

**Corporate information:**

SHREE MARIKAMBA MICRO FINANCE PRIVATE LIMITED ('the Company') is a private limited company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company was registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') and has got classified as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with effect from June 29, 2015.

The Company is engaged primarily in providing micro finance services to women in the rural/urban areas of Shimoga District who are enrolled as members and organized as Self Help Groups ('SHG') and also to borrowers that are members of Joint Liability Groups ('JLG').

**NOTE – 1**

**A. SIGNIFICANT ACCOUNTING POLICIES:**

**1. Basis for preparation of financial statements:**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the RBI as applicable to a NBFC-MFI and NBFC-ND-NSI. The financial statements have been prepared on an accrual basis and under the historical cost convention except Income or any other charges on loans which have been classified as non-performing assets and are accounted for on realisation basis. Any such income recognised before the asset became non-performing and remaining unrealised shall be reversed.

**2. Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results could differ from these estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

**3. Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- a. Interest income on loans given is recognised on accrual basis. Income or any other charges on non-performing asset is recognised only when realised and any such income recognised before the asset became non-performing and remaining unrealised is reversed.
- b. Interest income on deposits with banks is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- c. Loan processing fees are recognized immediately at the time of disbursement of loan.
- d. All other income is recognised on an accrual basis.

#### **4. Property, Plant & Equipment:**

Fixed assets are stated at cost less accumulated depreciation and impairment, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit / functioning capability from / of such assets.

Depreciation is charged over the estimated useful life of the fixed assets on a straight line basis at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013

Depreciation on assets purchased/sold during the period is charged on pro-rata basis.

The useful life estimates prescribed in Part C of Schedule II to the Companies Act, 2013 are generally adhered to, except in respect of asset classes where, based on technical evaluation, a different estimate of useful life is considered suitable.

#### **5. Intangible assets and amortization:**

Intangible Assets are initially recognised at cost. After initial recognition, it shall be carried at its cost less any accumulated amortization and any accumulated impairment losses.

Subsequent expenditure on an intangible asset after its purchase or its completion will be recognised as an expense when it is incurred unless:

- a. It is probable that the expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance; and
- b. The expenditure can be measured and attributed to the asset reliably

Cost of the intangible asset is amortized over its estimated useful life on a straight line basis.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

**6. 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 or the cash generating unit ("CGU"). If such recoverable amount of the asset or CGU to which the asset belongs 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 statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the revised recoverable amount, subject to maximum of the depreciated historical cost.

**7. Investments:**

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried in the financial statement at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. On disposal of an investment, the difference between the carrying amount and net disposal proceeds are charged or credited to the statement of profit and loss.

**8. Employee Benefits:**

- i. Short term Benefits: All employee benefits falling due within 12 months of rendering service are classified as short term employee benefits. The benefits like salaries, wages etc., and the expected cost of bonus, ex-gratia and incentives are charged to profit/loss of the year in which such service is rendered.
- ii. Post-employment benefits/Other long term employee benefits :  
Defined Contribution plans: These are plans in which the company pays pre-defined amount to separate funds and doesn't have any legal or informal obligation to pay additional sums. The comprise of contribution to the EPF, ESI etc., Company's payments to these are charged to profit & loss A/c in year in which employees renders the related services.

**9. Leases:**

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight-line basis.



**10. Taxation:**

Tax expenses are the aggregate of current tax and deferred tax charged or credited in the statement of profit and loss for the year.

**a) Current tax :**

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

**b) Deferred tax:**

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date. Deferred Tax Asset and Liability are netted off and disclosed in the balance sheet under the Head "Deferred Tax Asset /Liability".

**11. Earnings Per Share:**

The Company reports basic and diluted earnings per equity share in accordance with AS 20, Earnings Per Share. Basic earnings per equity share have been computed by dividing net profit / loss attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share have been computed by dividing the net profit attributable to the equity share holders for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti dilutive.

**12. Cash flow statement :**

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or present operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**13. Foreign currency transactions:**

Transactions denominated in foreign currency are accounted at the exchange rates prevailing on the date of transaction or at rates that closely approximate the rate at the date of transaction. Any gain or loss on account of exchange differences either on settlement or restatement of foreign exchange currency transactions are recognised in the profit & loss A/c except in the case of long term liabilities, where they relate to

acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

Foreign currency denominated monetary assets & liabilities are restated at exchange rates at balance sheet date.

#### **14. Borrowing Costs:**

Borrowing costs that are directly attributable to the acquisition, construction or erection of qualifying assets are capitalized as part of cost of such asset until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition of the qualifying asset.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

All other borrowing costs are recognized as an expense in the year in which they are incurred.

#### **15. Segment Reporting:**

The company primarily operates only in one business segment of "Micro financing" and also in one geographical segment (i.e., Shivamogga). Accordingly no segment reporting is applicable.

#### **16. Provisions and contingent liabilities :**

The Company recognizes provision when there is present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements. Provisions are reviewed at each balance sheet date and adjusted to reflect the current management estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resource is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements.

#### **17. Asset classification and provisioning:**

Loan asset classification of the Company is given in the table below:

| <b>Particulars</b>   | <b>Criteria</b>                                                                                                                                                                                          |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Standard asset       | The asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business |
| Non-performing asset | An asset for which, interest/principal payment has remained overdue for a period of more than 90 days                                                                                                    |

#### **Provision for non-performing assets:**

Provision for loan portfolio has been made in accordance with the provisioning requirements for NBFC-MFI issued by the RBI vide circular no. DNBR.(PD) CC.No.007/03.10.119/2016-17dated 1<sup>st</sup> September 2016 (as amended), which requires the minimum provision to be higher of (a) 1% of the outstanding loan portfolio or (b) 50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan installments which are overdue for 180 days or more.

#### **Standard asset provisioning:**

Provision for standard asset has been made at 0.25 per cent of the outstanding loan portfolio under standard asset category as stipulated in RBI vide circular no. DNBR.(PD) CC.No.007/03.10.119/2016-17dated 1<sup>st</sup> September 2016 (as amended). The provision towards standard assets has been shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet.

### **B. NOTES ON ACCOUNTS:**

(All figures are in Rs. thousands unless stated otherwise)

#### **1. Share Capital:**

##### **i. Terms/rights attached to equity shares:**

The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by shareholders at the Annual General Meeting.

- ii. Equity shares of the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate: Nil (P.Y.Nil)
- iii. shares reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment: Nil (P.Y.Nil)

## **2. Property, Plant & Equipment and Depreciation:**

The useful life estimates prescribed in Part C of Schedule II to the Companies Act, 2013 are adhered to, except in respect of leasehold improvements on account of following reason.

### **Lease Hold improvements:**

Company has taken premise on operating lease and incurred capital expenditure towards false ceiling works and partition works. These expenses are capitalised as lease hold improvements and a period of 5 years is considered by the management as the best estimate of useful life. Accordingly depreciation on lease hold improvements is charged over the useful life.

Company estimates the residual value of tangible assets to be Nil at the end of their useful life.

## **3. Intangible assets and amortisation:**

The company had acquired the Computer software separately which is used for accounting purpose and recognized the same as intangible asset at its cost. The company expects the useful life of the asset to be 5 years and uses straight line method for amortizing its cost over its useful life. Since the useful life of the asset is exhausted asset is carried at nominal value and as a result no amortization is provided during the year.

## **4. Earnings per Share:**

| <b>Particulars</b>                                     | <b>March 31, 2023</b> | <b>March 31, 2022</b> |
|--------------------------------------------------------|-----------------------|-----------------------|
| Basic earnings per share (Amount in Rs.)               | 12.42                 | 13.35                 |
| Net profit after tax ( <i>Amount in Rs thousands</i> ) | 6,831.01              | 7,341.57              |
| Weighted No. of Equity Shares                          | 549.936               | 549.936               |
| Face Value per Share (Amount in Rs.)                   | 100                   | 100                   |

## **5. Revenue Recognition:**

Interest accrued but not due on loans amounting to 912.10(P.Y. 850.63) on the reporting date (i.e., 31.03.2023) is recognized on accrual basis.

Interest on Fixed Deposit amounting to 161.15 (P.Y. 170.29) is recognized on a time proportion basis.

**6. Related Party Disclosure:**

Name of the related Party and nature of Relationship:

Key Managerial Personnel: 1. Mr. Kantesh K E  
2. Mr. Eshwarappa K S  
3. Mr. Shankar K

Relative of Key Managerial Personnel: 1.Jyothi K E, 2.Kanaka K E, 3.Shalini R

Enterprise under Common Management: 1. Sri Marikamba Grameena Abhiruddhi Trust  
2. Metro United Healthcare LLP  
3. Sri Shaneshchara Devalaya Samithi Trust  
4. Prajna education Trust  
5. Prabhoda Academic Career of excellence

**Details of Related Party Transactions for the year:**

| Related Party                          | Nature of Relationship             | Nature of Transaction        | For the year ended<br>31.03.2023 | For the year ended<br>31.03.2022 |
|----------------------------------------|------------------------------------|------------------------------|----------------------------------|----------------------------------|
|                                        |                                    |                              | <i>(Amount in Rs thousands)</i>  |                                  |
| Shalini R                              | Relative of KMP                    | Loan borrowed by the company | -                                | 7,200                            |
| Kantesh K E                            | Key Managerial Personnel           | Loan borrowed by the company | 4,000                            | 3,500                            |
| Metro United Healthcare LLP            | Enterprise under Common Management | Loan borrowed by the company | -                                | 6,000                            |
| Prajna education Trust                 | Enterprise under Common Management | Loan borrowed by the company | 1,000                            | 3,000                            |
| Jyothi K E                             | Relative of KMP                    | Loan borrowed by the company | 1,400                            | -                                |
| Prabhoda Academic Career of excellence | Enterprise under Common Management | Loan borrowed by the company | 5,000                            | -                                |
| Shalini R                              | Relative of KMP                    | Loan repaid by the company   | -                                | 2,500                            |
| Metro United Healthcare LLP            | Enterprise under Common Management | Loan repaid by the company   | 1,000                            | 11,000                           |
| Kantesh K E                            | Key Managerial Personnel           | Loan repaid by the company   | 3,000                            | -                                |
| Prajna education Trust                 | Enterprise under Common Management | Loan repaid by the company   | 4,000                            | -                                |
| Prabhoda Academic Career of excellence | Enterprise under Common Management | Loan repaid by the company   | 3,000                            | -                                |

**SHREE MARIKмба MICRO FINANCE PRIVATE LIMITED**  
**Jayalakshmi Nilaya, Main Road, Malleshwaranagara , Shivamogga -577 201, CIN:**  
**U67100KA2014PTC073382**

|                                         |                                    |                                                |          |          |
|-----------------------------------------|------------------------------------|------------------------------------------------|----------|----------|
| Prajna education Trust                  | Enterprise under Common Management | Loan Given by the company                      | 2,062    | -        |
| Prabhoda Academic Career of excellence  | Enterprise under Common Management | Loan Given by the company                      | -        | 2,000    |
| Prajna education Trust                  | Enterprise under Common Management | Loan repayment to the company                  | 282      | 478      |
| Prabhoda Academic Career of excellence  | Enterprise under Common Management | Loan repayment to the company                  | 809      | 1,285    |
| Kantesh K E                             | Key Managerial Personnel           | Director Remuneration                          | 807.67   | 731.20   |
| Shankar K                               | Key Managerial Personnel           | Director Remuneration                          | 807.67   | 731.20   |
| Sri Marikamba Grameena Abhiruddhi Trust | Enterprise under Common Management | Professional fee                               | 915.00   | 920.00   |
| Jyothi K E                              | Relative of KMP                    | Interest paid on loan borrowed by the company  | 29.67    | -        |
| Kanaka K E                              | Relative of KMP                    | Interest paid on loan borrowed by the company  | 119.90   | 120.25   |
| Shalini R                               | Relative of KMP                    | Interest paid on loan borrowed by the company  | 672.87   | 286.23   |
| Metro United Healthcare LLP             | Enterprise under Common Management | Interest paid on loan borrowed by the company  | 276.74   | 986.92   |
| Sri Shaneshchara Devalaya Samithi Trust | Enterprise under Common Management | Interest paid on loan borrowed by the company  | 1,412.78 | 1,413.00 |
| Kantesh K E                             | Key Managerial Personnel           | Interest paid on loan borrowed by the company  | 560.99   | 79.88    |
| Prajna education Trust                  | Enterprise under Common Management | Interest paid on loan borrowed by the company  | 197.55   | 84.33    |
| Prabhoda Academic Career of excellence  | Enterprise under Common Management | Interest paid on loan borrowed by the company  | 276.66   | -        |
| Prajna education Trust                  | Enterprise under Common Management | Interest received on loan given by the company | 157.07   | 48.98    |
| Prabhoda Academic Career of excellence  | Enterprise under Common Management | Interest received on loan given by the company | 825.66   | 835.04   |

**Balances payable to the related parties are as follows:**

*(Amount in Rs thousands)*

| Particulars                              | Opening Balance | Receipt | Repayment | Closing Balance |
|------------------------------------------|-----------------|---------|-----------|-----------------|
| Loans and advances from related parties; | 34,600          | 11,400  | 11,000    | 35,000          |

**Balances receivable from the related parties are as follows:**

*(Amount in Rs thousands)*

| Particulars                      | Opening Balance<br>(Current & Non-Current) | Loan given | Repayment received | Closing Balance<br>(Current & Non-Current) |
|----------------------------------|--------------------------------------------|------------|--------------------|--------------------------------------------|
| Vehicle Loan to related Parties; | 6,671                                      | 2,062      | 1,091              | 7,642                                      |

## **7. Contingent liabilities :**

During the year 2019-20 company's income tax return for financial year 2016-17 relevant to A Y 2017-18 was subject to scrutiny by the Income Tax Authorities and assessment was concluded with a tax demand of 867.59. The Company has preferred an appeal before the Commissioner of Income Tax (Appeals) against the assessment order after depositing pre-deposit of 175.00.

Company is of the view that, the assessment was concluded without proper appreciation of facts presented and there are fair chances of getting substantial relief from the appellate authority. Hence same is considered as contingent liability and accordingly no provision is created in relation to the same.

## **8. Current Tax and Deferred Tax:**

### **i. Current Tax:**

Company has made Provision for Current Tax amounting to 2566.80 (P.Y. 2303.91) in accordance with the relevant tax regulations applicable to the Company.

### **ii. Deferred Tax:**

| PARTICULARS                                                                  | 31.03.2023                      | 31.03.2022 |
|------------------------------------------------------------------------------|---------------------------------|------------|
|                                                                              | <i>(Amount in Rs thousands)</i> |            |
| i. Deferred Tax liabilities:                                                 | -                               | -          |
| ii. Deferred Tax assets:                                                     |                                 |            |
| Depreciation                                                                 | 111.58                          | 103.34     |
| Others                                                                       | 13.35                           | 10.47      |
| iii. Deferred tax asset ( Net ) (b)-(a)                                      | 124.93                          | 113.81     |
| iv. Deferred tax charge/ (credit) recognized in statement of Profit and Loss | (11.12)                         | (8.87)     |

#### 9. Dividend:

The Board of Directors of the Company have proposed dividend for the year amounting to 4949.42 (P.Y. 4949.42) which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable. Dividend per share for the is Rs.9 (P.Y.Rs.9)

#### 10. Particulars of Managerial Remuneration paid:

| Particulars                  | March 31, 2023                  | March 31, 2022 |
|------------------------------|---------------------------------|----------------|
|                              | <i>(Amount in Rs thousands)</i> |                |
| a) Remuneration to Directors | 1,615.34                        | 1462.39        |
| b) Value of perquisites      | Nil                             | Nil            |

#### 11. Borrowings:

| PARTICULARS                          | 31.03.2023                      |                  | 31.03.2022                      |                  |
|--------------------------------------|---------------------------------|------------------|---------------------------------|------------------|
|                                      | Long Term                       | Short Term       | Long Term                       | Short Term       |
|                                      | <i>(Amount in Rs thousands)</i> |                  | <i>(Amount in Rs thousands)</i> |                  |
| <b>Secured:</b>                      |                                 |                  |                                 |                  |
| <b>Term Loans -from banks</b>        | -                               | -                | -                               | -                |
| Working Capital facility from BOB    | -                               | 9,913.32         | -                               | 7,981.70         |
| Sub Total                            | -                               | 9,913.32         | -                               | 7,981.70         |
| <b>Unsecured Loans and advances:</b> |                                 |                  |                                 |                  |
| -from related parties                | -                               | 35,000.00        | -                               | 34,600.00        |
| -from Shareholders                   | -                               | 11,550.00        | -                               | 14,330.00        |
| Sub Total                            | -                               | 46,550.00        | -                               | 48,930.00        |
| <b>Total Borrowings</b>              | -                               | <b>56,463.32</b> | -                               | <b>56,911.70</b> |

#### Terms and Conditions of Working Capital Loan and nature of security:

##### Nature of Security:

- i. Primary Security-Exclusive first charge by way of hypothecation of specific book debts which are identified by the Company, from time to time with 40% margin at all points of time during the currency of the facility.
- ii. Collateral- Lien on the term deposit valuing Rs.10,00,000
- iii. Personal Guarantee of Directors



**12. Particulars of Trade Receivables:**

| Particulars                                            | March 31, 2023                  | March 31, 2022 |
|--------------------------------------------------------|---------------------------------|----------------|
|                                                        | <i>(Amount in Rs thousands)</i> |                |
| 1) Particulars of trade receivables                    |                                 |                |
| a) Debts outstanding for a period exceeding six months | Nil                             | Nil            |
| b) Other debts                                         | Nil                             | Nil            |
| Total                                                  | Nil                             | Nil            |

**13. Trade Receivables ageing schedule:** Not applicable since the Trade receivables outstanding as on 31.3.2023 is Nil (P.Y. Nil)

**14. Dues to Micro, Small and Medium Enterprises:**

The Classification of the suppliers under Micro, Small and Medium Enterprises Development Act, 2006 is made based on the submission of the registration certificate under the said act by the suppliers. As per records available with the company, there are no over dues beyond time limit specified u/s.15 of the MSMED Act. Further there is no interest accrued and remaining unpaid at the end of the year.

**15. Trade Payables ageing schedule:** Not applicable since the Trade payables outstanding as on 31.3.2023 is Nil (P.Y. Nil)

**16. Additional Regulatory information:**

(Pursuant to vide MCA notification G.S.R. 207(E) dated 24 March 2021)

- i. Title deeds of Immovable Property not held in the name of the Company: No such immovable properties held by the company
- ii. Revaluation of Property, Plant and Equipment: No revaluation during the reporting period
- iii. Loans and Advances to Promoters/ directors/KMPs/Related Parties either severally or jointly with any other person:
  - a) Repayable on Demand: Nil
  - b) Without specifying any terms or period of repayment: Nil
- iv. Capital work-in-progress ageing Schedule: No capital work in progress during the reporting period
- v. Intangible assets under development ageing schedule: No Intangible assets under development during the reporting period
- vi. Details of Benami Property held : No such properties are held by the company

- vii. Quarterly returns or statements of outstanding loan portfolio(advances) filed by the company with banks or financial institutions are in agreement with the books of accounts.
- viii. Details of Wilful Defaulter: Company has not been declared as willful defaulter by any bank or financial institution.
- ix. Relationship with Stuck off Companies: Company has no transactions with Stuck off Companies.
- x. Registration or satisfaction of charge with ROC: No such instances during the year.
- xi. Compliance with number of layers of companies: Not applicable
- xii. Analytical Ratios: Given below separately in Note no.22
- xiii. Compliance with approved Scheme(s) of Arrangements: No such schemes approved by the competent authority.

**xiv. Utilisation of Borrowed funds and share premium:**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

No funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- 17.** Disclosure pertaining to undisclosed income: The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- 18.** Disclosure pertaining to Corporate Social Responsibility: The Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014
- 19.** Disclosure pertaining to 'details of crypto currency or virtual currency: Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year

**20.**Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest, and other matters: Nil (P.Y. Nil)

**21.**Earnings in Foreign exchange: Nil (P.Y. Nil)

**22. Analytical Ratios:**

| Ratio                            | For the year ended 31.03.23 | For the year ended 31.03.22 | % Variance | Reason for Variance (if more than 25%) |
|----------------------------------|-----------------------------|-----------------------------|------------|----------------------------------------|
| Current ratio                    | 1.30                        | 1.39                        | -6.64%     | -                                      |
| Debt-equity ratio                | 0.97                        | 1.00                        | -2.96%     | -                                      |
| DSCR                             | -                           | -                           | -          | -                                      |
| Return on equity ratio           | 10.56%                      | 11.74%                      | -10.03%    | -                                      |
| Inventory turnover ratio         | -                           | -                           | -          | -                                      |
| Trade receivables turnover ratio | -                           | -                           | -          | -                                      |
| Trade payables turnover ratio    | -                           | -                           | -          | -                                      |
| Net capital turnover ratio       | 0.99                        | 0.82                        | 20.34%     | -                                      |
| Net profit ratio                 | 31.65%                      | 36.96%                      | -14.37%    | -                                      |
| Return on capital employed       | 22.19%                      | 22.41%                      | -0.97%     | -                                      |
| Return on investment             | -                           | -                           | -          | -                                      |

**Notes:**

- i. Explanations have been furnished for change in ratio by more than 25% as compared to the preceding year as stipulated in Schedule III to the Act.
- ii. Debt service coverage ratio has not been computed since the Company does not have any long term borrowings/term loans.
- iii. Inventory Turnover ratio, Trade receivables turnover ratio and Trade payables turnover ratio have not been computed since the Company does not have any inventory, Trade receivables and Trade payables
- iv. Return on investment ratio has not been disclosed since the Company does not have any investments.
- v. **Details of financial statement line items included in numerator and denominator for computing ratios:**

| Ratio         | Numerator      | Denominator         | Remarks, if any |
|---------------|----------------|---------------------|-----------------|
| Current ratio | Current assets | Current liabilities | -               |

**SHREE MARIKMBA MICRO FINANCE PRIVATE LIMITED**  
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**U67100KA2014PTC073382**

|                                  |                                     |                              |                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------|-------------------------------------|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Debt-equity ratio                | Total Debt                          | Shareholder's Equity         | 1. Total Debt =<br>Total debts= Non-current liabilities + Current liabilities<br>Shareholder's Equity= Share Capital+ Reserves and Surplus                                                                                                                                                                                                                       |
| DSCR                             | Earnings available for debt service | Debt Service                 | 2. Earning for Debt Service =<br>Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.<br>3. Debt service = Interest & Lease Payments + Principal Repayments<br>"Net Profit after tax" means reported amount of "Profit / (loss) for the period" |
| Return on equity ratio           | Net Profits after taxes             | Average Shareholder's Equity | Average Shareholder's Equity = (Opening + Closing balance / 2)                                                                                                                                                                                                                                                                                                   |
| Inventory turnover ratio         | Turnover                            | Average Inventory            | Average inventory = (Opening + Closing balance / 2)                                                                                                                                                                                                                                                                                                              |
| Trade receivables turnover ratio | Net Turnover                        | Average Trade Receivables    | Average trade receivables= (Opening + Closing balance / 2)                                                                                                                                                                                                                                                                                                       |
| Trade payables turnover ratio    | Net Credit Purchases                | Average Trade Payables       | Average trade payables= (Opening + Closing balance / 2)                                                                                                                                                                                                                                                                                                          |
| Net capital turnover ratio       | Net Turnover                        | Average Working Capital      | Working capital = current assets -current liabilities.                                                                                                                                                                                                                                                                                                           |
| Net profit ratio                 | Net Profits after taxes             | Net Turnover                 | -                                                                                                                                                                                                                                                                                                                                                                |
| Return on capital employed       | Earnings before interest and taxes  | Capital Employed             | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability                                                                                                                                                                                                                                                                                      |

|                      |                                            |                                          |                                                                                                                                                                                                                                                                                                                                                    |
|----------------------|--------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Return on investment | $\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}$ | $\{MV(T0) + \text{Sum } [W(t) * C(t)]\}$ | T1 = End of time period<br>T0 = Beginning of time period<br>t = Specific date falling between T1 and T0<br>MV(T1) = Market Value at T1<br>MV(T0) = Market Value at T0<br>C(t) = Cash inflow, cash outflow on specific date<br>W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $[T1 - t] / T1$ |
|----------------------|--------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**23. Other Disclosures applicable to NBFC-MFI-ND-NSI :**

**a. The net interest margin (NIM):**

| Particulars                                 | As at<br>31.03.2023 | As at<br>31.03.2022 |
|---------------------------------------------|---------------------|---------------------|
| Average interest Charged by the Company (a) | 16.53%              | 16.72%              |
| Average interest paid on borrowing (b)      | 9.26%               | 9.00%               |
| Net interest margin (a-b)                   | 7.27%               | 7.72%               |

**Note:**

Average interest paid on borrowings and charged by the company is calculated on average monthly balances of outstanding borrowings and loan portfolio respectively.

**b. Capital Adequacy Ratio:**

The Capital Adequacy Ratio (CRAR) of the company was 52.55% as on March 31, 2023 (P. Y. 51.76%) as against the minimum capital adequacy requirements of 15% as stipulated in RBI Master Circular.

**c. Asset Classification and Provision thereof:**

During the year Company has made Provision for non-performing assets amounting to 114.26 (P.Y.348.30).

During the year Company has made Contingent Provision against standard assets amounting to 303.72 (P.Y.Nil).

Asset classification and provision thereof in accordance with the RBI guidelines is as follows

| PARTICULARS             | As at 31.03.2023                |                 | As at 31.03.2022                |                 |
|-------------------------|---------------------------------|-----------------|---------------------------------|-----------------|
|                         | Amount Outstanding              | Provision       | Amount Outstanding              | Provision       |
|                         | <i>(Amount in Rs thousands)</i> |                 | <i>(Amount in Rs thousands)</i> |                 |
| a) Standard Asset       | 1,21,487.96                     | 303.72          | 1,19,884.54                     | Nil             |
| b) Non-Performing asset | 1,693.63                        | 1,693.63        | 1,589.45                        | 1,579.37        |
| <b>Total</b>            | <b>1,23,181.59</b>              | <b>1,997.35</b> | <b>1,21,473.99</b>              | <b>1,579.37</b> |

**d. Fair Practice Code:**

The Company has in place a Fair Practice Code (FPC) approved by the Board in compliance with the guidelines issued by RBI, to ensure better service and provide necessary information to customers to take informed decisions.

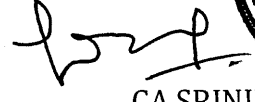
**24.** The figures for the previous year have been regrouped /rearranged wherever necessary to conform to current year presentation.

Place: Shimoga  
 Date: 01.09.2023

For and on behalf of the Board of Directors

  
 KANTESH K E  
 DIRECTOR  
 DIN: 00686990

  
 KRISHNAMURTHY SHANKAR  
 DIRECTOR  
 DIN: 06793871

  
 CA.SRINIDHI K.P.  
 CHARTERED ACCOUNTANT  
 M.No.234489

