

# PRAYAS FINANCIAL SERVICES PRIVATE LIMITED

## 5<sup>TH</sup> ANNUAL REPORT F.Y:2021-22

**Registered Office:** Satyam-1/308, Amba Business Park,  
Tri Mandir Campus, Above HDFC/SBI Bank,  
Adalaj, Gandhinagar - 382421  
**CIN:** U67190GJ2017PTC096063  
**Phone:** +91-79-48408308  
**E-mail:** prayasmail@gmail.com  
**Website:** www.prayasfinance.com

## INDEX

SR NO.	PARTICULARS	PAGE NO.
1	Corporate Information	01
2	AGM Notice	02-06
3	Directors' Report	07-21
4	Independent Auditor's Report	22-29
5	Balance Sheet	30
6	Statement of Profit & Loss	31
7	Cash Flow Statement	32
8	Notes to the Financial Statements	33-53

**CORPORATE INFORMATION**

**Prayas Financial Services Private Limited**

**BOARD OF DIRECTORS:**

**Bhadresh K Rawal**  
Director  
(DIN: 06746695)  
(Re-designated as Non-Executive  
Director from Managing Director  
w.e.f. June 16, 2022)

**Dinesh H Awasthi**  
Director  
(DIN: 00415781)

**Surendra Srivastava**  
Independent Director  
(DIN: 08164095)

**COMPANY SECRETARY:**

Ms. Charmi Shah

**CHIEF FINANCIAL OFFICER:**

Chirag Patel  
(Resigned w.e.f. June 16, 2022)  
(Re-designated as Senior Manager-  
Finance w.e.f. June 16, 2022)

**CHIEF EXECUTIVE OFFICER:**

Abhisek Khanna  
(Appointed w.e.f. June 16, 2022)

**STATUTORY AUDITORS:**

**M/s. Shah & Shah**  
Chartered Accountants, Ahmedabad  
(Firm Registration No. 131527W)

**CORPORATE IDENTIFICATION NUMBER:**

U67190GJ2017PTC096063

**REGISTERED OFFICE:**

Satyam-1/308, Amba Business Park,  
Tri Mandir Campus, Above HDFC/SBI Bank,  
Adalaj, Gandhinagar – 382 421

**EMAIL:**

prayasmail@gmail.com

**PHONE:**

+91-79-48408308

**WEBSITE:**

www.prayasfinance.com

**BANKERS:**

**HDFC Bank**

Ground Floor, Satyam 1,  
Amba Business Park, Tri Mandir Campus  
Adalaj, Gandhinagar – 382 421.

(Firm Registration No. 131527W)

## AGM NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTH (5<sup>TH</sup>) ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF PRAYAS FINANCIAL SERVICES PRIVATE LIMITED WILL BE HELD ON WEDNESDAY, JULY 20, 2022, AT 5:00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT SATYAM-1/308, AMBA BUSINESS PARK, TRI MANDIR CAMPUS, ABOVE HDFC/SBI BANK, ADALAJ, GANDHINAGAR - 382 421, THROUGH VIDEO CONFERENCING TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company as at March 31, 2022 and the Report of Directors' and Auditors thereon.
2. Appointment of M/s Manubhai & Shah LLP as Statutory Auditors of the Company for the period of 5 years.

To consider, and if thought fit, to pass, with or without modification(s), the following resolution, as a **Special Resolution**:

**"RESOLVED THAT**, pursuant to Sections 139, 142 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s Manubhai & Shah LLP, Chartered Accountants, Ahmedabad (Firm Registration No :106041WW100136), be and are hereby, appointed as the Statutory Auditors of the Company to hold office for a term of five (5) consecutive year from the conclusion of this Annual General Meeting till the conclusion of Tenth (10) Annual General Meeting of the Company to be held in the year 2027 at such remuneration plus GST as may be mutually agreed between the Board of Directors and the said auditors.

**RESOLVED FURTHER THAT**, any Director of the Company, be and is hereby, authorized to do all such acts, deeds and things as may be required to give effect to the above resolution"

### SPECIAL BUSINESS:

3. Regularization of appointment of Mr. Surendra Srivastava as Independent Director of the Company:






To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

**"RESOLVED THAT**, pursuant to provision of Sections 149,152 and 161 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any amendments, statutory modification(s) or re-enactment(s) thereof for the time being in force) and Schedule IV of the Act and pursuant to the provisions of the Articles of Association of the Company, Mr. Surendra Srivastava (DIN: 08164095), who was appointed as an Additional Director (Non-Executive & Independent) of the Company with effect from March 23, 2022 and holds office upto the date of this Annual General Meeting of the Company, be and is hereby, appointed as an Independent Director of the Company to hold office for a term of 5 (Five) years from the date of his appointment on the Board."

**RESOLVED FURTHER THAT**, any Director of the Company, be and is hereby, authorized to file necessary forms, if required, with the Registrar of Companies, Ahmedabad in this regard."

For and on behalf of the Board of Directors  
Prayas Financial Services Private Limited,



  
Bhadresh Keshavlal Rawal  
Director  
(DIN: 06746695)



Dinesh H. Awasthi  
Director  
(DIN: 00415781)

Date: June 16, 2022  
Place: Gandhinagar

**NOTES:**

1. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Accordingly, proxy form and attendance slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and participate thereat and cast their votes.
2. Since the AGM will be held through VC/OAVM, the route map for the venue is not annexed.
3. The Shareholders are requested to notify the change, if any, in their registered address to the Company immediately.
4. An explanatory statement pursuant to Section 102 of the Act, relating to special business to be transacted at the AGM, is annexed hereto
5. Register of Director(s)/Key Managerial Personnel(s) and their shareholding, Register of Contracts in which Directors are interested are available for inspection by the members at the meeting.
6. All the documents referred to in the notice are open for inspection at the Registered office of the Company on all working dates, except Sunday and public holidays, between 09:30 A.M. to 06:30 P.M. upto the date of the AGM.





**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") sets out all material facts relating to the special business mentioned at the accompanying notice of the meeting of the shareholders of Prayas Financial Services Private Limited ("Company") to be held on July 19, 2022.

**2. Appointment of M/s Manubhai & Shah LLP as Statutory Auditors of the Company for the period of 5 years:**

Pursuant to the provisions of Section 139(2) of the Act and the rules made thereunder, the members had appointed M/s. Shah & Shah, Chartered Accountants, Ahmedabad (Firm Registration No. 131527W) as the Statutory Auditors of the Company for a term of five years starting from F.Y. 2017-18 to 2021-22 i.e., till the conclusion of Fifth (05<sup>th</sup>) Annual General Meeting. Tenure of M/s. Shah & Shah, Chartered Accountants, has come to an end as Statutory Auditors of the Company in the year 2021-22. Consequently, the company had recommended name of M/s Manubhai & Shah, LLP, Chartered Accountant, Ahmedabad (Firm Registration No. 106041W/W100136) in the meeting of the Board of Directors held on June 16, 2022 to hold office of Statutory Auditors of the Company up to Tenth (10<sup>th</sup>) Annual General Meeting of the Company.

The Company has obtained written certificate from Manubhai & Shah LLP, Chartered Accountants, Ahmedabad to the effect that their appointment as Statutory Auditors of the Company for the period of 5 years commencing from F.Y. 2022-23, will be in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013.

The Board of Directors accordingly recommended the approval of the Shareholders of the Company as set forth in item No. 2 of the Notice by way of Special Resolution.

None of the Directors of the Company or Key managerial personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

**3. Regularization of appointment of Mr. Surendra Srivastava as Independent Director of the Company:**

Mr. Surendra Srivastava, who has been appointed as an Additional Director (Non-Executive & Independent) of the Company in the Board of Directors meeting held on March 23, 2022, pursuant to Section 149, 150, 152 and 161 and other relevant provisions of the Companies Act, 2013 and rules made thereunder (Including any statutory modification(s) or re-enactment(s) thereof, for the time



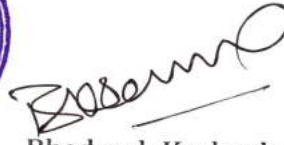
being in force), clause 2.1 of Articles of Associations of the Company, basis the recommendation of the Nomination and Remuneration Committee, to hold office upto this Annual General Meeting and is eligible for appointment as an Independent Director (ID).

Mr. Surendra Srivastava is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

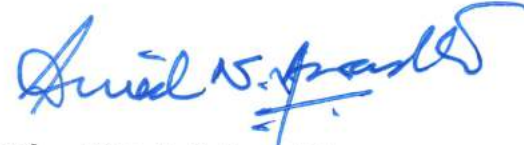
The Board is of the view that the Company would greatly benefit from the rich and varied experience of Mr. Surendra Srivastava and accordingly recommends the Special resolution in relation to regularization of appointment of Mr. Surendra Srivastava as an Independent Director as set forth in item No. 3, for the approval of the Shareholders of the Company.

None of the Directors of the Company or Key managerial personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution except Mr. Surendra Srivastava.

For and on behalf of the Board of Directors  
Prayas Financial Services Private Limited,



Bhadresh Keshavlal Rawal  
Director  
(DIN: 06746695)



Dinesh H. Awasthi  
Director  
(DIN: 00415781)

Date: June 16, 2022  
Place: Gandhinagar



**DIRECTORS' REPORT**

To,  
The Members,

The Directors of your Company have pleasure in presenting the 5<sup>th</sup> (FIFTH) Annual Report together with the audited financial statements for the Financial Year ended on March 31, 2022.

**1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY:**

(in ₹)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Total Income	6,77,65,655	4,36,99,222
Less: Total Expense	9,42,37,322	4,11,18,186
<b>Profit/(Loss) before Tax</b>	(2,64,71,667)	25,81,036
Less: Current Tax	-	12,06,440
Less: Deferred Tax	(24,02,845)	(2,51,469)
<b>Profit / (Loss) after Tax</b>	<b>(2,40,68,822)</b>	<b>16,26,065</b>
Add: Balance brought forward from previous year (Deficit) / Surplus	38,73,525	(2,52,540)
Add: Other Comprehensive Income net of Income tax	NIL	NIL
Appropriations	NIL	NIL
Basic Earnings Per Share (In ₹)	<b>(2.83)</b>	<b>0.23</b>
Diluted Earning Per Share (In ₹)	<b>(2.83)</b>	<b>0.23</b>

**2. APPROPRIATION:**

During the year under review, the Company has not transferred any amount to Special Reserve created under Section 45-IC of the Reserve Bank of India Act, 1934 due to Loss during the year.



### 3. STATE OF AFFAIRS OF THE COMPANY:

- **Revenue:**

Your Company posted total income of ₹ 6,77,65,655 in the year ended on March 31, 2022, as compared to ₹ 4,36,99,222 in the previous year, which is an increase of 55.07% year-on-year.

- **Profit/Loss:**

During the year under review, your company has recorded Loss amounting to ₹ (2,40,68,822) as compared to Profit of ₹ 16,26,065 in the F.Y. 2020-21. The loss has been mainly on account Loan loss provision including additional Management Overlay provision done in view of the successive covid waves which may impact the portfolio quality.

- **Other Financial Highlights:**

Total expenses of the Company have increased to ₹ 9,42,37,322 as compared to expenses of the previous financial year which was ₹ 4,11,18,186. The major increase is due to loan loss provision including Management Overlay provision created in view of successive covid waves.

Basic Earnings per Share (BEPS) for the year ended March 31, 2022 was ₹ (2.83) as against ₹ 0.23 in the previous financial year. Diluted Earnings Per Share (DEPS) for the year ended March 31, 2022 was at ₹ (2.83) as against ₹ 0.23 in the previous financial year.

During the year under review, the Company has disbursed ₹ 69,08,50,300 in F.Y. 2021-22. The Assets under Management (AUM) as on March 31, 2022 was ₹ 66,06,54,271 representing an increase of 50.96% over the previous year.

**Total no. of Branches:** During the year, the Company has opened in total Five (5) branches, out of which Three (3) Branches in the state of Rajasthan and Two (2) Branches in the state of Gujarat. Hence the total number of branches of the Company as on date is Twenty-Nine (29).

#### **Investment by Ananya Finance for Inclusive Growth Private Limited:**

Your Directors are pleased to inform you that, during the year under review, the Company had made application to Reserve Bank of India ("RBI") for change in the Shareholding (which would result in Ananya acquiring shareholding of 55.47%) of the Company in relation to the downstream investment by Ananya, and the approval from RBI has been received on May 6, 2022.

Pursuant to the RBI approval, your Company proposed to raise funds of upto ₹ 12,00,00,000/- (Rupees Twelve Crores only), by way of issue of upto 1,00,00,000 (One Crore) new Equity shares having face value of ₹ 10/- (Rupees Ten Only) and Premium of ₹ 2/- (Rupees Two Only) each fully paid-up at a price of ₹ 12/- (Rupees Twelve Only) in dematerialized form through Private & preferential basis to Ananya Finance for Inclusive Growth Private Limited ("Ananya"). Your

Company has received necessary approval from the Board of Directors for issuance of Equity shares to Ananya in its Board meeting held on June 16, 2022. This investment will give Ananya a stake of 55.47% in the shareholding pattern of the Company.

**Additional Investment by Mr. Bhadresh Rawal, existing shareholder and Promoter of the Company:**

Your Directors are pleased to inform you that, a proposal from the existing shareholder of the Company Mr. Bhadresh Rawal had been received for investing additional corpus of ₹ 50,00,004 into the Company in the form of Equity investment.

Based on the proposal from Mr. Bhadresh Rawal, your Company proposed to issue upto 4,16,667 (Four Lakhs Sixteen Thousand Six Hundred Sixty-Seven) new Equity shares having face value of ₹ 10/- (Rupees Ten Only) and Premium of ₹ 2/- (Rupees Two Only) each fully paid-up at a price of ₹ 12/- (Rupees Twelve Only) in physical form through Private & preferential basis to Mr. Bhadresh Rawal. Your Company has received necessary approval from the Board of Directors for issuance of Equity shares to Mr. Bhadresh Rawal in its Board meeting held on June 16, 2022.

**4. DIVIDEND:**

Your Directors have not recommended any dividend for the F.Y. 2021-22.

**5. CREDIT RATING:**

During the Year under review, the SMERA assigned a Comprehensive Grading of M4C3.

**6. RESOURCES:**

During the year under review, the Company met its funding requirements primarily through managed funds. During the year under review, the managed funds have increased from ₹ 17,00,00,000 as at March 31, 2021 to ₹ 58,78,66,320 as at March 31, 2022.

Apart from the managed funds, the Company have also made borrowings from NBFC-Financial Institutions. During the year under review, the borrowings have decreased from ₹ 14,86,42,914 as at March 31, 2021 to ₹ 4,72,39,553 as at March 31, 2022. The aggregate debt outstanding as on March 31, 2022 was ₹ 12,53,45,778.

**7. SHARE CAPITAL:**

- **Authorised Share Capital:** During the year, the Company has increased its Authorised Share Capital as follows:

From ₹ 9,00,00,000 (Rupees Nine Crores only) divided into 90,00,000 (Ninety Lakhs) Equity shares of ₹ 10/- (Rupees Ten only) each to ₹ 20,00,00,000 (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores) Equity shares of ₹ 10/- (Rupees Ten only) each in its Annual General Meeting (AGM) held on August 28, 2021.



- **Issued, Subscribed, Paid-up Share Capital:** During the year, the Company has not allotted any kind of security in the form of Equity or Preference. Therefore, the Issued, Subscribed and Paid-up Share Capital shall remain intact as that of in F.Y. 2020-21.

Currently, the Issued, Subscribed, Paid-up Share Capital of the Company is ₹ 8,51,20,040 (Rupees Eight Crores Fifty-One Lakhs Twenty Thousand Forty only) divided into 85,12,004 (Eighty-Five Lakhs Twelve Thousand Four) Equity shares of ₹ 10/- (Rupees Ten only) each.

#### **8. ALTERATION OF ARTICLES OF ASSOCIATION (AOA) & MEMORANDUM OF ASSOCIATION (MOA) OF THE COMPANY:**

<b>Sr. No</b>	<b>Purpose of alteration</b>	<b>Alteration of AoA/ MoA</b>	<b>Date of General Meeting</b>
1	Increase in authorised capital from ₹ 9,00,00,000 to ₹ 20,00,00,000	MoA	August 28, 2021 (AGM)

#### **9. FIXED DEPOSITS:**

The Company being a non-deposit taking Non-Banking Financial Company (“NBFC”) MFI, has not accepted any deposits from the public during the year under review.

#### **10. RESERVES:**

During the year under review, the Company has not transferred any amount to General Reserve.

#### **11. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR:**

During the year, there is no change in the Board of Directors of the Company except:

- (i) the appointment of Mr. Surendra Srivastava (DIN: 08164095) as an Independent Director of the Company in accordance with the provisions of Sections 149, 152 and 161 of the Act for a period of 5 (Five) years w.e.f. March 23, 2022, pursuant to the approval of the shareholders at the Fifth AGM held on July 20, 2022 and;
- (ii) re-designation of Mr. Bhadresh Rawal as Non-Executive Director from Managing Director of the Company w.e.f. June 16, 2022 in the meeting of Board of Directors held on June 16, 2022.

During the year under review, Mr. Chirag Patel has resigned from the position of Chief Financial Officer (CFO) of the Company and redesignated as Senior Manager – Finance w.e.f. June 16, 2022 in the meeting of the Board of Directors held on June 16, 2022.

Your Company has appointed Mr. Abhisek Khanna as Chief Executive Officer of the Company w.e.f. June 16, 2022 in the meeting of the Board of Directors held on June 16, 2022.

**12. FIT AND PROPER CRITERIA & CODE OF CONDUCT:**

All the Board of Directors meet with the fit and proper criteria stipulated by the Reserve Bank of India ("RBI"). All the Board of Directors have affirmed compliance with the Code of Conduct of the Company.

**13. DISCLOSURE U/S 164(2) OF THE COMPANIES ACT, 2013:**

The Company has received necessary disclosure in Form DIR-8 from its Directors being appointed or reappointed and has noted that none of the Directors are disqualified under Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

**14. DECLARATION OF INDEPENDENCE FROM INDEPENDENT DIRECTORS:**

The Company has received requisite declaration of Independence from Mr. Surendra Srivastava required pursuant to section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as provided in section 149(6) of the Act. At the first meeting of Board of Directors held for the financial year 2022-23, the Board of Directors of the Company has taken on record the said declarations and confirmation as submitted by the Independent Directors (ID) after undertaking due assessment of the veracity of the same. In the opinion of the Board, they fulfill the conditions as specified in the Act and the rules made thereunder for appointment as an ID and confirm that they are independent of the management.

**15. MANAGERIAL REMUNERATION:**

Sr. No.	Name of Director	Remuneration for F.Y. 2021-22 (Amount In ₹)	Remuneration for F.Y. 2020-21 (Amount In ₹)
1	Bhadresh Rawal -Managing Director	19,89,720	3,37,050 (w.e.f. January 30,2021)
2	Bhadresh Rawal -Executive Director w.e.f. April 01, 2020	-	16,50,250

**16. DETAILS OF THE DIRECTORS OF THE COMPANY AS ON MARCH 31, 2022:**

SR. NO	NAME OF DIRECTOR	DIN	DESIGNATION	DATE OF APPOINTMENT	RESIDENTIAL ADDRESS
1	*Mr. Bhadresh Rawal	06746695	Managing Director	March 03, 2017	Sanatan 1/5003, Wing A, Amba Township, Sector 4, Nr. Amba School, Tri Mandir

					Campus, Adalaj, Gandhinagar – 382 421
2	Mr. Dinesh Awasthi	00415781	Director	March 03, 2017	63, Monalisa Apartment, Opp. Ambawadi Circle, Ellisbridge, Ahmedabad – 380 006.
3	Mr. Surendra Srivastava	08164095	Independent Director	March 23, 2022	F 402, Alphacorp Gurgaon one, sector 84, near DPS, Village Sihi tehsil Manesar, Sihi (108), Gurgaon, Haryana – 122004

\* Re-designated as Non-Executive Director of the Company from Managing Director w.e.f. June 16, 2022

#### 17. CONSTITUTION OF THE AUDIT COMMITTEE (“AC”):

The Company has constituted Audit Committee (AC) in terms of the requirements of the Act and pursuant to Master Circular “Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015” dated July 01, 2015. The said Committee was initially constituted with appointment of 2 members and subsequently, the said committee has been re-constituted with the appointment of additional 1 member w.e.f. June 16, 2022. The Audit Committee consists of the following members:

Sr. No.	Name of the Director	Nature of Directorship
1	#Mr. Bhadresh Rawal	Director
2	Mr. Dinesh Awasthi	Director
3	*Mr. Surendra Srivastava	Independent Director

#Re-designated as Non-Executive Director of the Company from Managing Director w.e.f. June 16, 2022

\*Re-constitution of the Committee with appointment of additional 1 member w.e.f. June 16, 2022.

The Committee has reviewed the Financial Reporting process, the system of internal controls, audit process and compliances with applicable laws and regulations and internal guidelines. The said Committee met 3 (Three) times during the financial year on June 30, 2021, October 23, 2021 and February 11, 2022, respectively with the presence of both the members.

#### 18. CONSTITUTION OF THE NOMINATION & REMUNERATION COMMITTEE (NRC):

The Company has constituted Nomination & Remuneration Committee (“NRC”) in terms of the requirements of the Act and pursuant to Master Circular “Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015” dated July 01, 2015. The said Committee was initially constituted with the appointment of 2 members and subsequently, the said committee has been re-constituted with the appointment of additional 1 member w.e.f. June 16, 2022. The Nomination & Remuneration Committee consists of the following members:



<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Nature of Directorship</b>
1	#Mr. Bhadresh Rawal	Director
2	Mr. Dinesh Awasthi	Director
3	*Mr. Surendra Srivastava	Independent Director

#Re-designated as Non-Executive Director of the Company from Managing Director w.e.f. June 16, 2022

\*Re-constitution of the Committee with appointment of additional 1 member w.e.f. June 16, 2022.

The NRC met 1 (One) time during the financial year on March 23, 2022 with the presence of both the members.

## **19. RISK MANAGEMENT FRAMEWORK:**

The Company has constituted Risk Management Committee (RMC) in terms of the requirements pursuant to Master Circular "Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015" dated July 01, 2015. The said Committee was initially constituted with the appointment of 2 members and subsequently, the said committee has been re-constituted with the appointment of additional 1 member w.e.f. June 16, 2022. The Risk Management Committee consists of the following members:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Nature of Directorship</b>
1	#Mr. Bhadresh Rawal	Director
2	Mr. Dinesh Awasthi	Director
3	*Mr. Surendra Srivastava	Independent Director

#Re-designated as Non-Executive Director of the Company from Managing Director w.e.f. June 16, 2022)

\*Re-constitution of the Committee with appointment of additional 1 member w.e.f. June 16, 2022.

The RMC met 2 (Two) time during the financial year on October 23, 2021 and February 11, 2022 with the presence of both the members.

## **20. VIGIL MECHANISM:**

Pursuant to Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Section 177(9) of the Act, the Company has adopted a Vigil Mechanism Framework ("Framework"), under which the Whistle Blower Policy has been adopted.

The objective of the Framework is to establish a redressal forum, which addresses all concerns raised on questionable practices and through which the Directors and employees can raise actual or suspected violations. The Vigil Mechanism Framework empowers all levels of employees including top management to raise voice against actual/ suspected violations. The implementation of the Framework is monitored through the Audit Committee.

The mechanism framed by the Company is in compliance with requirements of the Act and available on the website viz. [www.prayasfinance.com](http://www.prayasfinance.com).

## **21. DISCLOSURE RELATING TO HOLDING, SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES:**

During the year under review, your Company does not have any Subsidiary or Joint Venture or Associate Company.

## **22. HIGHLIGHTS OF PERFORMANCE OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT:**

During the year under review, your Company does not have any Subsidiary or Joint Venture or Associate Company.

## **23. CHANGES IN THE NATURE OF BUSINESS DURING THE YEAR, IF ANY:**

There was no change in the nature of business of the Company during the year under review.

## **24. STATUTORY AUDITORS:**

Pursuant to the provisions of Section 139(2) of the Act and the rules made thereunder, the members had appointed M/s. Shah & Shah, Chartered Accountants, Ahmedabad (Firm Registration No. 131527W) as the Statutory Auditors of the Company for a term of five years starting from F.Y. 2017-18 to 2021-22 i.e., till the conclusion of Fifth (05<sup>th</sup>) Annual General Meeting. Tenure of M/s. Shah & Shah, Chartered Accountants, has come to an end as Statutory Auditors of the Company in the year 2021-22. Consequently, the company had recommended name of M/s Manubhai & Shah, LLP, Chartered Accountant, Ahmedabad (Firm Registration No. 106041W/W100136) in the meeting of the Board of Directors held on June 16, 2022 to hold office of Statutory Auditors of the Company up to Tenth (10<sup>th</sup>) Annual General Meeting of the Company.

The Company has obtained a written Certificate from M/s Manubhai & Shah, LLP, Chartered Accountant, Ahmedabad (Firm Registration No. 106041W/W100136) to the effect that their appointment as Statutory Auditors of the Company for the F.Y. 2022-23 to 2026-27 (i.e. for a period of 5 years as per section 139(1) of Companies Act, 2013) and to hold the office for a term of five (5) consecutive years from the conclusion of this 5th Annual General Meeting till the conclusion of 10th Annual General Meeting of the Company to be held in the year 2027, if made, will be in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013.

Further, the Reserve Bank of India (RBI) issued guidelines on appointment of Statutory Auditor(s) by Non-Banking Financial Company (NBFC) vide. Circular RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ('Circular'/'Guidelines'). However, the RBI has given flexibility to such Non-Banking Financial Companies (NBFCs) having asset size below ₹ 1,000 Crore to have the option to continue with their extant procedure pursuant to clause 2 of the said guidelines.

## **25. AUDITORS' REPORT:**

The Auditors' Report to the members during the year under review is unmodified and does not contain any qualification. The Notes to the accounts referred to in the Auditors' Report are self-

explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Act.

**26. REPORTING OF FRAUDS BY AUDITORS:**

There were no frauds reported by the Auditors of the Company under Section 143(12) of the Act.

**27. MAINTENANCE OF COST RECORDS:**

The Company is not required to maintain Cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013.

**28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Company being an NBFC-MFI, the particulars regarding conservation of energy and technology absorption as required to be disclosed pursuant to provisions of Rule 8(3) of the Companies (Accounts) Rules, 2014 are not relevant.

During the year, there was no foreign exchange inflow or outgo.

**29. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

The Board of Directors met Eight (8) times during the F.Y. 2021-22 at regular intervals on the following dates:

<b>Sr. No</b>	<b>Date of Board Meeting</b>	<b>Attendance</b>
1	April 17, 2021	All the Directors were present in the meeting
2	June 17, 2021	All the Directors were present in the meeting
3	June 30, 2021	All the Directors were present in the meeting
4	August 02, 2021	All the Directors were present in the meeting
5	August 28, 2021	All the Directors were present in the meeting
6	October 23, 2021	All the Directors were present in the meeting
7	February 11, 2022	All the Directors were present in the meeting
8	March 23, 2022	All the Directors were present in the meeting

**30. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company has an internal financial control system for ensuring orderly and efficient conduct of its business, safeguarding of its assets, prevention and detection of frauds and errors, to maintain accuracy and completeness of accounting records and timely preparation of reliable financial information.



### **31. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR:**

Pursuant to Section 134(3)(o) of the Act, this is not applicable to the Company.

### **32. DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have 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 as at March 31, 2022 and of the profit and loss of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis; and
- (e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws including Secretarial Standards and that such systems were adequate and operating effectively.

### **33. PARTICULARS OF LOAN GIVEN, INVESTMENT MADE OR GUARANTEE OR SECURITY PROVIDED BY THE COMPANY:**

The Company has not provided any guarantees and made investments covered under the provisions of section 186 of the Companies Act, 2013.

However, the company has taken Inter-corporate Advances of ₹ 2,72,39,553 during the year.

### **34. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of every contract or 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 disclosed in AOC-2 as '**Annexure A**'. The Board of Directors of the Company are requested to draw their attention to notes to the Financial Statements which sets out related party disclosures.

### **35. POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE:**

The Company has in place a policy for prevention, prohibition and redressal of sexual harassment at workplace. Further, the Company has constituted an Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal)

Act, 2013, where employees can register their complaints against sexual harassment. Appropriate reporting mechanisms are also in place for ensuring protection against sexual harassment and the right to work with dignity.

During the year under review, no case of sexual harassment was reported.

### **36. ANNUAL RETURN AS PRESCRIBED UNDER THE ACT AND RULES MADE THEREUNDER:**

Pursuant to substitution made in Section 92(3) of the Companies Act, 2013 vide the Companies (Amendment) Act, 2017; the requirement of including an extract of the annual return in the Board's report has been omitted.

The Annual Return as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company and can be accessed at [www.prayasfinance.com](http://www.prayasfinance.com).

### **37. MATERIAL CHANGES AND COMMITMENTS:**

There are no material changes occurred between the end of the financial year of the Company to which the financial statements relate.

However as on date of the report, your Company have made an issuance of upto 1,00,00,000 (One Crore) new Equity shares having face value of ₹ 10/- (Rupees Ten Only) and Premium of ₹ 2/- (Rupees Two Only) each fully paid-up at a price of ₹ 12/- (Rupees Twelve Only) in dematerialized form through Private & preferential basis to Ananya Finance for Inclusive Growth Private Limited ("Ananya"). Subsequent to this investment, Ananya will acquire a stake of 55.47% in the shareholding of the Company and hence your Company becomes subsidiary of Ananya pursuant to Section 2(87) of the Companies Act, 2013.

### **38. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There are no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

Further, no penalties have been levied by the RBI / any other Regulators during the year under review.

### **39. APPLICATION OR ANY PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:**

During the year under review, your Company has neither made any application nor has any proceedings pending under the Insolvency and Bankruptcy Code, 2016.

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

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) in carrying out its Board meetings and General Meetings.

**41. DEPOSITS (AS PER THE DEFINATION UNDER SECTION 2(31) OF THE COMPANIES ACT, 2013):**

The company does not accept any deposits from Public as prescribed under the RBI rules.

The following details of deposits, covered under Chapter V of the act:

Deposits Accepted during the year	NIL
Remained unpaid or unclaimed as at the end of the year	NIL
Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	NIL
At the beginning of the year	NIL
Maximum during the year	NIL
At the end of the year	NIL
The details of deposits which are not in compliance with the requirements of Chapter	NIL

**42. RBI GUIDELINES:**

The Company continues to comply with all the requirements prescribed by the Reserve Bank of India (RBI) from time to time.

**ACKNOWLEDGEMENTS:**

The Board of Directors of the Company takes this opportunity to place on record its gratitude for the guidance and support extended, from time to time, by RBI, Ministry of Corporate Affairs, Registrar of Companies (Gujarat) and all such other governmental and regulatory authorities. Your Board of Directors also place on record their sincere appreciation for the continued support extended by the bankers, financial institutions, lenders and stakeholders and the trust reposed by them in the Company.

For and on behalf of the Board of Directors  
Prayas Financial Services Private Limited,



Date: June 16, 2022  
Place: Gandhinagar

Bhadresh Keshavlal Rawal  
Director  
(DIN: 06746695)

Dinesh H. Awasthi  
Director  
(DIN: 00415781)



Place: Gandhinagar

(DIN: 06746695)

(DIN: 00415781)

Annexure 'A'  
Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(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 year ended **March 31, 2022** which were not at arm's length basis.

**Details of material contracts or arrangement or transactions at arm's length basis**

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (in ₹)	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Prayas Organisation for Sustainable Development	Commission Received	01.04.2021 to 31.03.2022	54,48,052/-	June 16, 2022	NIL
Prayas Organisation for Sustainable Development	Interest Received on Security Deposit	01.04.2021 to 31.03.2022	9,04,417/-	June 16, 2022	NIL
Prayas Organisation for Sustainable Development	Rent Paid	01.04.2021 to 31.03.2022	12,54,000/-	June 16, 2022	NIL

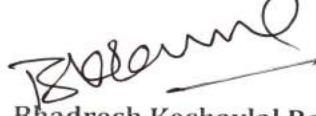


Prayas Organisation for Sustainable Development	Loan Taken	01.04.2021 to 31.03.2022	31,50,000/-	June 16, 2022	NIL
Prayas Organisation for Sustainable Development	Loan Repaid	01.04.2020 to 31.03.2021	6,48,239/-	June 16, 2022	NIL
Prayas Organisation for Sustainable Development	Security Deposit Received back	01.04.2021 to 31.03.2022	2,01,57,694/-	June 16, 2022	NIL
Prayas Organisation for Sustainable Development	Interest Payment on Loan	01.04.2021 to 31.03.2022	5,46,069/-	June 16, 2022	NIL
Prayas Organisation	Loan Taken	01.04.2021 to 31.03.2022	2,40,89,553/-	June 16, 2022	NIL
Prayas Organisation	Loan Repaid	01.04.2021 to 31.03.2022	2,13,72,938/-	June 16, 2022	NIL
Prayas Organisation	Interest Payment	01.04.2021 to 31.03.2022	1,06,47,022/-	June 16, 2022	NIL
Prayas Organisation for Sustainable Development (Section-8)	Rent Paid	01.04.2021 to 31.03.2022	1,80,000/-	June 16, 2022	NIL

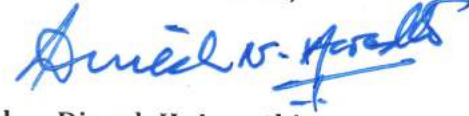




For and on behalf of the Board of Directors  
Prayas Financial Services Private Limited,



Bhadresh Keshavlal Rawal  
Director  
(DIN: 06746695)



Dinesh H. Awasthi  
Director  
(DIN: 00415781)

Date: June 16, 2022  
Place: Gandhinagar



### Independent Auditor's Report

#### To the Members of Prayas Financial Services Private Limited Report on audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Prayas Financial Services Private Limited ('the company'), which comprise the balance sheet as at March 31, 2022, the Statement of Profit and Loss, Statement of Cash flows and the for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 the Loss and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a



material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and those charged with governance for financial statements**

The Company's Board of Directors are 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 specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibility for the Audit of Financial Statement**

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **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, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid 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 March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. Reporting on the adequacy of Internal Financial Control Over Financial Reporting of the Company and the operating effectiveness of such controls, under section 143(3)(i) of the Act is not applicable in view of the exemption available to the company in terms of the notification no. G.S.R. 583(E) dated 13 June 2017.



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

- i. The Company does not have any pending litigations which would impact its financial position.;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There is no amount which is required to be transferred, to the Investor Education and Protection Fund by the Company.

For Shah & Shah  
Chartered Accountants  
Firm's Registration Number 131527W



Per Tejas Shah  
Partner  
Membership No. 135639  
UDIN: 22135639 ALTEVE1645



Date: June 16, 2022  
Place: Ahmedabad



## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2022, we report that:

- i. In respect of the Company's fixed assets:
  - a) (A) According to the information and explanation given to us and the records produced to us for our verification, the company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) According to the information and explanation given to us and the records produced to us for our verification the company does not hold any intangible assets accordingly the provision of the paragraph 3(i)(a)(B) is not applicable to the company.
  - (b) According to the information and explanation given to us, the fixed assets have been physically verified by the management once in a year which in our opinion is reasonable, having regards to the size of the Company and nature of its business. No material discrepancies have been noticed on such verifications.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no Immovable property held in the name of company hence, the provision of paragraph 3(i)(c) of the Order are not applicable.
  - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not revalue its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the provision of paragraph 3(i)(d) of the Order are not applicable.
  - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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.
- ii.
  - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company operates in service industry with no requirement of inventory hence, paragraph 3(ii)(a) of the order are not applicable.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been sanctioned working capital limits during the period ended March 31, 2022. Accordingly, the provisions of paragraph 3 (ii) (b) of the Order are not applicable.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any investment nor provided any guarantees and securities to persons covered in the Register maintained under Section 189 of the Companies Act, 2013. However, the company has not provided granted unsecured loans to persons covered in Section 189 of the Companies Act, 2013.
  - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not provided unsecured loan to certain parties.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the terms and conditions of guarantees provided or security given and the grant of loans and advances in the nature of loans are not prejudicial to the company's interest.





c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts are regular.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amount of loan which are overdue for more than ninety days.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, any loan or advance in the nature of loan granted which has fallen due during the year, has not been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not granted any loans or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment.

- iv. In our opinion and according to the information and explanations given to us, the company has not given any loan, or provided any guarantee or security as specified under section 185 of the Companies Act, 2013 and company has not provided any guarantee or security as specified under section 186 of the Companies Act, 2013. Further the company has complied with provision of section 186 of the Companies Act, 2013 in relation to loans given and investment made.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit and hence the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014, with regard to the deposits accepted are not applicable to the Company. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the company.
- vi. In our opinion and according to the information and explanations given to us, the central government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for the services provided by it. Accordingly, clause 3(vi) of the order is not applicable.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been generally regular in depositing undisputed statutory dues including Income Tax, Goods and Service Tax (GST) and any other statutory dues with the appropriate authorities except professional tax deducted from the salaries of employees of Rajasthan and Madhyapradesh units of the company.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of Income-tax or Central Sales Tax or Service tax or Goods and Services tax or Duty of Excise or Value added tax which have not been deposited by the Company on account of disputes.
- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not surrendered or disclosed transactions, previously unrecorded as income in the books of accounts, in the tax assessments under the Income Tax Act, 1961 as income during the year.





- ix. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or government or any government authority or any other lender.
- c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- d) According to the information and explanations given to us and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds were raised on short-term basis by the company during the period under consideration. Accordingly, the provisions of clause 3(ix) (d) of the Order are not applicable to the Company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not raised loans during the period on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. a) Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, the provision of paragraph 3(x)(a) of the order is not applicable to the company.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement or not issued any fully or partly convertible debenture during the year under review.
- xi. a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have not come across instance of any fraud by the company or on the company by its officers or employees during the year except a some kind of suspected fraud and/or cash embezzlement by an employee or officer of the company. The management is in the process of investigating the same. The amount involved in such fraud is yet not identified.
- b) Report on such matter under sub-section (12) of section 143 of the Companies Act has not been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government as it is not applicable.
- c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions of Clauses 3 (xii) (a) to (c) of the Order are not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.



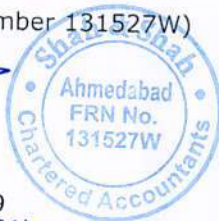


- xiv. a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.  
b) We have not considered the internal audit reports of the company issued till date, for the period under audit.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him and hence provision of section 192 of the Act is not applicable. Accordingly, paragraph 3(xv) of the order is not applicable to the Company.
- xvi. a) According to the information and explanations given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and company has obtained registration under section 45-IA of the Reserve Bank of India Act, 1934.  
b) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid certificate of registration from the Reserve Bank of India as per Reserve Bank of India Act, 1934.  
c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of paragraph 3(xvi) (c) & (d) of the Order are not applicable to the Company.
- xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has incurred cash losses during the current year of amount of Rs. 2,57,71,345/- but not in immediately preceding financial year.
- xviii. According to the information and explanations given to us, there has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our 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. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we 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. According to the information and explanations given to us and based on our examination of the records of the Company, section 135 is not applicable on the company. Accordingly, paragraph 3(xx) of the Order is not applicable to the Company.

For Shah & Shah  
Chartered Accountants  
(Firm's Registration Number 131527W)



Per Tejas Shah  
Partner  
Membership No. 135639  
UDIN: 22135639ALTENE1645



Date: June 16, 2022  
Place: Ahmedabad



Prayas Financial Services Private Limited

CIN - U67190GJ2017PTC096063

Balance Sheet as at March 31, 2022

(Amount in ₹)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	3	8,51,20,040	8,51,20,040
Reserves and surplus	4	(2,01,95,297)	38,73,525
		6,49,24,743	8,89,93,565
<b>Non-Current Liabilities</b>			
Long term borrowings	5	9,36,57,503	7,29,45,864
Long term provisions	6	3,19,77,774	24,17,658
		12,56,35,277	7,53,63,522
<b>Current Liabilities</b>			
Short term Borrowings	7	3,16,88,275	5,09,10,129
Trade payables	8	45,37,983	30,91,151
Other current liabilities	9	23,02,882	23,12,624
Short term provisions	10	93,875	12,37,897
		3,86,23,015	5,75,51,801
<b>TOTAL</b>		<b>22,91,83,035</b>	<b>22,19,08,888</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment and Intangible asset			
- Property plant & equipment	11	34,82,270	14,43,386
- Intangible Asset	11	11,98,252	14,80,778
Deferred tax assets (Net)	12	28,16,019	4,13,174
Long-term loans and advances	13	1,08,82,288	4,92,51,901
Other non-current assets	14	5,09,23,963	1,44,93,858
		6,93,02,792	6,70,83,097
<b>Current Assets</b>			
Trade Receivables	15	81,60,884	-
Cash and cash equivalents	16	2,16,42,785	15,84,512
Short-term loans and advances	17	10,17,81,172	11,96,84,520
Other current assets	18	2,82,95,402	3,35,56,759
		15,98,80,243	15,48,25,791
<b>TOTAL</b>		<b>22,91,83,035</b>	<b>22,19,08,888</b>
Notes forming part of the Financial Statements	1 to 36		

As per our report of even date attached

For and on behalf of the Board

For Shah & Shah  
Chartered Accountants  
(Firm's Registration Number: 131527W)

*TM*



Per Tejas Shah  
Partner  
Membership No.: 135639

Place : Ahmedabad  
Date : June 16, 2022

*Bhadresh K. Rawal*

Bhadresh K. Rawal  
Managing Director  
DIN: 06746695

*Charmi*  
Charmi Shah  
Company Secretary  
Membership No.: A50324

*Dinesh H. Awasthi*

Dinesh H. Awasthi  
Director  
DIN: 00415781

*Chirag Patel*  
Chirag Patel  
Chief Financial Officer

Place : Gandhinagar  
Date : June 16, 2022





# Prayas Financial Services Private Limited

CIN - U67190GJ2017PTC096063

## Statement of Profit and Loss for the year ended March 31, 2022

(Amount in ₹)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations	19	6,46,08,894	4,06,39,540
Other income	20	31,56,761	30,59,682
<b>Total Income</b>		<b>6,77,65,655</b>	<b>4,36,99,222</b>
<b>Expenses:</b>			
Employee benefit expenses	21	2,84,13,511	2,12,86,660
Finance costs	22	1,94,86,382	70,64,840
Depreciation & Amortization Expense	11	7,00,322	1,88,324
Other expenses	23	4,56,37,107	1,25,78,362
<b>Total expenses</b>		<b>9,42,37,322</b>	<b>4,11,18,186</b>
Profit/(Loss) before tax		<b>(2,64,71,667)</b>	<b>25,81,036</b>
Tax expense:			
Current tax		-	12,06,440
Deferred tax		-	(2,51,469)
Total	12	(24,02,845)	9,54,971
Profit/(Loss) for the year		<b>(2,40,68,822)</b>	<b>16,26,065</b>
Earnings per equity share - Basic and Diluted (₹)		(2.83)	0.23
Weighted average number of equity shares (face value of ₹ 10 each)	24	85,12,004	70,97,362
Notes forming part of the Financial Statements	1 to 36		

As per our report of even date attached

For and on behalf of the Board

For Shah & Shah  
Chartered Accountants  
(Firm's Registration Number: 131527W)

*Tejas Shah*

Per Tejas Shah  
Partner  
Membership No.: 135639



Place : Ahmedabad  
Date : June 16, 2022

*Bhadresh K. Rawal*  
Bhadresh K. Rawal  
Managing Director  
DIN: 06746695

*Charmi Shah*  
Charmi Shah  
Company Secretary  
Membership No.: A50324

Place : Gandhinagar  
Date : June 16, 2022

*Dinesh H. Awasthi*  
Dinesh H. Awasthi  
Director  
DIN: 00415781

*Chirag Patel*  
Chirag Patel  
Chief Financial Officer



**Prayas Financial Services Private Limited**  
CIN - U67190GJ2017PTC096063  
**Cash Flow Statement for the year ended March 31, 2022**

(Amount in ₹)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A Cash Flows from Operating Activities:-</b>			
Profit before tax			
Adjustments for:-		(2,64,71,667)	25,81,036
Depreciation		7,00,322	1,88,324
Interest Income		(29,37,459)	(29,70,736)
<b>Operating profit before working capital changes</b>		<b>(2,87,08,804)</b>	<b>(2,01,376)</b>
Adjustments for:-			
Increase / (Decrease) in trade payables		14,46,831	26,28,651
Increase / (Decrease) in trade Receivables		(81,60,884)	-
Increase / (Decrease) in Security Deposit			-
Increase / (Decrease) in other current liabilities		(9,742)	22,97,224
(Increase) / Decrease in other current assets		36,24,222	87,13,965
Increase / (Decrease) in Long term provision		2,95,60,116	24,17,658
Increase / (Decrease) in Current Maturities of LT Debt		(1,92,21,854)	5,09,10,129
Increase / (Decrease) in short term provision		(11,44,022)	(2,47,624)
<b>Cash generated from operations</b>		<b>60,94,667</b>	<b>6,67,20,003</b>
Taxes paid (net of refund)		1,08,996	(19,52,829)
<b>Net cash from operating activities</b>		<b>(2,25,05,141)</b>	<b>6,45,65,798</b>
<b>B Cash flows from investing activities:-</b>			
Purchase of fixed assets		(24,56,681)	(30,93,486)
(Increase) / Decrease in long term loans and advances		3,83,69,613	(4,92,30,901)
(Increase) / Decrease in other non current assets		(3,66,02,921)	(17,70,600)
(Increase) / Decrease in short term loans and advances		1,79,03,349	(11,72,54,708)
Interest received		46,38,414	2,22,806
<b>Net cash from investing activities</b>		<b>2,18,51,774</b>	<b>(17,11,26,889)</b>
<b>C Cash flows from financing activities:-</b>			
Long Term Borrowings (Net)		2,07,11,640	7,29,45,864
Proceeds From Equity Share Capital(including securities premium)			3,51,20,040
		2,07,11,640	10,80,65,904
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>2,00,58,273</b>	<b>15,04,813</b>
Cash and cash equivalents at the beginning of the year		15,84,512	79,699
<b>Cash and cash equivalents at the close of the year</b> (Refer note 14)		<b>2,16,42,785</b>	<b>15,84,512</b>
Notes forming part of the Financial Statements	1 to 36		

As per our report of even date attached

For and on behalf of the Board

For Shah & Shah  
Chartered Accountants  
(Firm's Registration Number: 131527W)

Per Tejas Shah  
Partner  
Membership Number: 135639

Place : Ahmedabad  
Date : June 16, 2022



*Bhadresh K. Rawal*  
Bhadresh K. Rawal  
Managing Director  
DIN: 06746695

*Charmi Shah*  
Charmi Shah  
Company Secretary  
Membership No.: A50324

Place : Gandhinagar  
Date : June 16, 2022

*Dinesh H. Awasthi*  
Dinesh H. Awasthi  
Director  
DIN: 00415781

*Chirag Patel*  
Chirag Patel  
Chief Financial Officer





# Prayas Financial Services Private Limited

## Notes forming part of the Financial Statements

### Note 1: Corporate Information:

Prayas Financial Services Private Limited (referred to as "the Company") is incorporated in the year 2017 engaged in providing financial services as per the object of company and having CIN - U67190GJ2017PTC096063, the address of its registered office is Satyam -1/308, Amba Business Park, Tri Mandir Campus, Above HDFC/SBI Bank, Adalaj, Gandhinagar, Gujarat - 382421.

Further, the company has obtained registration as Non-Banking Financial Company under Section 45IA of Reserve Bank of India Act, 1934 with effect from February 6, 2020.

The Company is engaged primarily in providing microfinance services to its members for undertaking productive activities in urban/semi - urban/ rural areas of India who are organized inter alia as Joint Liability Group('JLG'). The Company has its operation across various states of India.

### Note 2: Significant Accounting Policies

#### A. Basis of Preparation:

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, as applicable. The financial statements have been prepared under the historical cost convention on accrual basis.

#### B. Use of Estimates:

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefits, provision for income taxes, the useful lives of depreciable fixed assets, and provision for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known materialise.

#### C. Classifications of Current / Non - Current assets & Liabilities:

The Company has classified all its assets and liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets / liabilities expected to be realised / settled within 12 months from the date of financial statements are classified as current and other assets / liabilities are classified as non - current.



# Prayas Financial Services Private Limited

## Notes forming part of the Financial Statements

### D. Finance Cost:

The company borrows from Financial institutions and banks for the purpose of on-lending to its microfinance clients. The costs associated with these borrowings are classified as Finance Costs. Finance Costs comprise of Interest, Processing Fees, Stamp duty and other charges directly related to borrowings. Interest is provided on the loan balance as per the terms and conditions of the loan transaction.

### E. Fixed Assets:

The Fixed Assets are stated at historical cost of acquisition, net of recoverable taxes less accumulated depreciation. The cost comprises Purchase Price, Borrowing Costs if capitalization criteria are met and any other directly attributable cost of bringing the asset to its working condition for the intended use, net off of any trade discounts and rebates. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred. Gains or losses arising from sale of fixed asset is recognized as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized. Fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use. The useful life of the software purchased during the year is taken as 5 years as per the management's estimation.

### F. Lease:

Assets acquired under lease where a significant portion of risk and reward of ownership are retained by the lessor are classified as operating leases. Operating lease rentals are charged to statement of Profit and Loss on straight-line basis over the lease term.

### G. Depreciation:

The depreciation on fixed assets is provided on straight line method (SLM) as per useful life and in the manner prescribed in Schedule II of the Companies Act, 2013.

### H. Loans & provision for Standard Assets and Non-Performing Assets:

Loans are classified into performing and non-performing' assets in terms of the master direction – Non-Banking Financial Company - Non systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India as amended from time to time.





# Prayas Financial Services Private Limited

## Notes forming part of the Financial Statements

### I. Cost Recognition:

Costs and expenses are recognised when incurred and have been classified according to their nature. The costs of the Company are broadly categorised in employee benefit expenses and other expenses. Employee benefit expenses include salaries, bonus and staff welfare expenses. Other expenses mainly includes rent, rates and taxes, professional and consultancy charges, telephone and internet expenses etc. Miscellaneous expenses include an aggregation of costs which are individually not material such as water charges, penalty, interest on TDS etc.

### J. Employee Benefits:

#### a. Short term Employee Benefits -

It includes Salaries, Bonuses and Short term allowances which are expected to occur within 12 months after the end of the period in which the employees render the related services, Bonuses payable within 12 months after end of the period in which employees render the related services for current employees are estimated and measured on an undiscounted Basis.

#### b. Long-term Employee Benefit:

(i) Defined Contribution Plan - All eligible employees of the company are entitled to receive benefits under, a defined contribution plan in which both the employee and the company contribute monthly a stipulated percentage of the covered employee's salary. Contributions are made to employees provident fund Organization in respect of provident fund at a prescribed rates and are charged to the statement of profit and loss at actuals.

(ii) Defined Benefit Plan - The company Provides for gratuity covering the eligible employees under which a lumpsum payment is made to vested employees at Retirement, Death, Incapacitation or Termination of employment, of an amount reckoned on the respective employee 's salary and his tenor of employment with the company. The company accounts for the liability for future gratuity benefits based on the actuarial valuation determined at each balance sheet date by an independent Actuary using Projected Unit credit method. The Company recognises the net obligation of the gratuity plan in the Balance Sheet as an Asset or Liability, respectively in accordance with accounting Standard 15, "Employee Benefits". Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.

### K. Revenue Recognition:

Revenue form Interest on loans financed by the company is recognized on accrual basis, considering the directions issued by the Reserve Bank of India from time to time in terms of master directions - Non banking financial company - Not Systematically Important - Non deposit taking company (Reserve bank directions),2016. Revenues from Loan documentation received in nature of processing fees are recognised as income at the time of receipt. Income from commission from managed portfolio, facilitation fee and non- lending business fee is accounted on accrual basis, considering the terms of the respective contract. Revenue from interest income on security deposits with banks and financial institutions ("FI") is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.



# Prayas Financial Services Private Limited

## Notes forming part of the Financial Statements

### L. Provision for Current Tax and Deferred Tax:

Current income tax expense comprises taxes on income from operations in India, income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the Company is able to and intends to settle the asset and liability on a net basis. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

### M. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

### N. Cash and Cash Equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

### O. Earnings Per Share:

Basic earnings per share is computed by dividing profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.





**Prayas Financial Services Private Limited**  
**Notes forming part of the Financial Statements**

**Note: 3 Share Capital**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
<b>Authorised</b> Equity shares of ₹ 10 each	2,00,00,000	20,00,00,000	90,00,000	9,00,00,000
<b>Issued, Subscribed and Fully paid-up</b> Equity shares of ₹ 10 each	85,12,004	8,51,20,040	85,12,004	8,51,20,040
	<b>85,12,004</b>	<b>8,51,20,040</b>	<b>85,12,004</b>	<b>8,51,20,040</b>

**3.1 Reconciliation of the number of shares**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
<b>Opening Balance</b>	85,12,004	8,51,20,040	52,50,000	5,25,00,000
Issued during the year	-	-	32,62,004	3,26,20,040
<b>Closing Balance</b>	<b>85,12,004</b>	<b>8,51,20,040</b>	<b>85,12,004</b>	<b>8,51,20,040</b>

**3.2 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Holding (%)	Number of Shares	Holding (%)
Bhadresh Keshavlal Raval	5,08,914	5.98%	5,08,914	5.98%
Prayas Organization (AOP)	70,03,090	82.27%	70,03,090	82.27%
Ananya Finance for Inclusive Growth Private Limited	5,00,000	5.87%	5,00,000	5.87%

**3.3 Shares held by Promoters of the company**

Name of the Promoter	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Holding (%)	Number of Shares	Holding (%)
Bhadresh Rawal	5,08,914	5.98%	5,08,914	5.98%
Prayas Organization (AOP)	70,03,090	82.27%	70,03,090	82.27%
<b>Total</b>	<b>75,12,004</b>	<b>88.25%</b>	<b>75,12,004</b>	<b>88.25%</b>

There has been no change in share holding Pattern of promoters during the year.

**3.4** The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/ each. Each holder of equity share is entitled to one vote per share.

**3.5** In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amount exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

**3.6 Information regarding issue of shares for the last three years**

- (a) The company has not issued any shares without payment being received in cash.
- (b) The company has not issued any bonus shares.
- (c) The company has not undertaken any buy back of shares.





**Prayas Financial Services Private Limited**  
**Notes forming part of the Financial Statements**

Note 4 : Reserves and Surplus	As at March 31, 2022	As at March 31, 2021
<b>Securities premium</b>		
Opening balance	25,00,000	-
Add: Security Premium on account of Private Placement	-	25,00,000
Closing Balance	25,00,000	25,00,000
<b>Statutory Reserve *</b>		
Opening balance	3,25,213	-
Add: Amount transferred from Profit & Loss Account	-	3,25,213
Closing Balance	3,25,213	3,25,213
<b>Profit &amp; Loss Account</b>		
Opening balance	10,48,312	(2,52,540)
Add: Profit for the year	(2,40,68,822)	16,26,065
Less: Transferred to Statutory Reserve	-	(3,25,213)
Closing Balance	(2,30,20,510)	10,48,312
	<b>(2,01,95,297)</b>	<b>38,73,525</b>
<i>* Statutory Reserve represents the reserve fund created under section 45IC of the Reserve Bank of India Act, 1934</i>		
<b>Note 5 : Long Term Borrowings</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Term Loans</b>		
(a) Loans from NBFCs (Secured)^	2,31,70,640	2,66,41,577
(b) Loans from NBFCs (Unsecured)	75,00,001	1,26,14,041
(c) Loans from Others (Secured)^	34,78,255	86,95,651
(d) Loans from Others (Unsecured)	9,11,96,882	7,59,04,724
<b>Total borrowings</b>	<b>12,53,45,778</b>	<b>12,38,55,993</b>
Less:		
Current Maturities of Long term borrowings	3,16,88,275	5,09,10,129
	<b>9,36,57,503</b>	<b>7,29,45,864</b>
<p>^ Term loans are secured exclusively against hypothecation of book debts, existing and future current assets and personal guarantee of directors. During the year company has taken loans of Rs. 1,75,00,000 against Hypothecation of Book Debts and it has been used for the purpose for which it has been taken.</p> <p>Note: There is no default repayment of the above mentioned loans and every charge created on company 's asset has been registered with registrar of companies.</p>		



**Prayas Financial Services Private Limited**  
Notes forming part of the Financial Statements

(Amount in ₹)

Note 6 : Long term provisions	As at March 31, 2022	As at March 31, 2021					
Provision For Defined Benefit Obligation	7,04,046	7,38,267					
Provision against Portfolio Loan	3,12,73,728	16,79,391					
	<b>3,19,77,774</b>	<b>24,17,658</b>					
Note 7 : Short term Borrowings	As at March 31, 2022	As at March 31, 2021					
Current maturities of Long term Debt	3,16,88,275	5,09,10,129					
	<b>3,16,88,275</b>	<b>5,09,10,129</b>					
Note 8 : Trade Payables	As at March 31, 2022	As at March 31, 2021					
Dues of micro enterprises and small enterprises	8,77,048	14,15,749					
Dues other than micro enterprises and small enterprises	36,60,935	16,75,402					
Employee Benefit Payable	45,37,983	30,91,151					
	<b>45,37,983</b>	<b>30,91,151</b>					
(FY 2021-22)							
Particulars	Less than 6 Months	6 months - 1 year	1 - 2 years	2 - 3 Years	More than 3 Years	Not due	Total
MSME	-	-	-	-	-	-	-
Others	8,77,048	-	-	-	-	-	8,77,048
Disputed MSME	-	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-	-
Employee Benefit payable	36,60,935	-	-	-	-	-	36,60,935
Unbilled Dues	-	-	-	-	-	-	-
<b>Total</b>	<b>45,37,983</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,37,983</b>
(FY 2020-21)							
Particulars	Less than 6 Months	6 months - 1 year	1 - 2 years	2 - 3 Years	More than 3 Years	Not due	Total
MSME	-	-	-	-	-	-	-
Others	14,15,749	-	-	-	-	-	14,15,749
Disputed MSME	-	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-	-
Employee Benefit payable	16,75,402	-	-	-	-	-	16,75,402
Unbilled Dues	-	-	-	-	-	-	-
<b>Total</b>	<b>30,91,151</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,91,151</b>
<p><b>Note:</b> The Company has not received any information from suppliers regarding their status under Micro and Medium Enterprises Development Act, 2006 and hence disclosure, if any relating to amounts unpaid as at year end together with interest paid/payable as required</p>							
Note 9 : Other Current Liabilities	As at March 31, 2022	As at March 31, 2021					
Statutory dues payable to Revenue Authorities	12,28,640	6,02,722					
Advance from Group Concerns	10,22,027	16,75,674					
Other current liabilities	52,215	34,228					
	<b>23,02,882</b>	<b>23,12,624</b>					
Note 10 : Short term Provisions	As at March 31, 2022	As at March 31, 2021					
Provision For Expense	93,875	25,000					
Provision For Income Tax	-	12,12,897					
	<b>93,875</b>	<b>12,37,897</b>					



Prayas Financial Services Private Limited  
Notes Forming Part Of The Financial Statement

Note 11 : Property plant & Equipment and Intangible Assets

Particulars	Gross Block			Depreciation and amortization			Net Block	
	As at 1 April 2021	Additions during the year	Deductions during the year	As at 31 March 2022	For the Year	Deductions / adjustments	As at 31 March 2022	As at 31 March 2021
<b>(A) Tangible Assets</b>								
Computer	4,16,397	16,16,417	-	20,32,814	2,32,490	-	17,39,758	3,55,831
Motor Vehicle	9,32,000	-	-	9,32,000	1,10,675	-	7,15,502	8,26,177
Furniture	57,608	5,14,675	-	5,72,283	13,089	-	5,58,190	56,604
Office Equipment	2,20,003	3,25,589	-	5,45,592	61,543	-	4,68,820	2,04,774
<b>Sub total (A)</b>	<b>16,26,008</b>	<b>24,56,681</b>	<b>-</b>	<b>40,82,689</b>	<b>4,17,797</b>	<b>-</b>	<b>34,82,270</b>	<b>14,43,386</b>
<b>(B) Intangible Assets</b>								
MIS Software	14,86,970	-	-	14,86,970	2,82,525	-	11,98,252	14,80,778
<b>Sub total (B)</b>	<b>14,86,970</b>	<b>-</b>	<b>-</b>	<b>14,86,970</b>	<b>2,82,525</b>	<b>-</b>	<b>11,98,252</b>	<b>14,80,778</b>
<b>Grand Total (A + B)</b>	<b>31,12,978</b>	<b>24,56,681</b>	<b>-</b>	<b>55,69,659</b>	<b>7,00,322</b>	<b>-</b>	<b>46,80,522</b>	<b>29,24,164</b>
<b>PY-2020-21</b>	<b>19,492</b>	<b>30,93,486</b>	<b>-</b>	<b>31,12,978</b>	<b>1,88,324</b>	<b>-</b>	<b>29,24,164</b>	<b>19,002</b>





**Prayas Financial Services Private Limited**  
Notes forming part of the Financial Statements

(Amount in ₹)

Note 12 : Deferred Tax Assets (Net)	As at March 31, 2022	As at March 31, 2021
Opening Balance	4,13,174	1,61,705
Deferred tax income/(Expense) (On account of Preliminary Expenses, Depreciation & Provision against Portfolio Loan)	24,02,845	2,51,469
	<b>28,16,019</b>	<b>4,13,174</b>
Note 13 : Long-term Loans and Advances	As at March 31, 2022	As at March 31, 2021
<b>Portfolio Loan</b>		
i) Joint Liability Group Loans	1,08,82,288	4,90,81,155
ii) Sanitation Loans	-	1,70,746
	<b>1,08,82,288</b>	<b>4,92,51,901</b>
Note 14 : Other Non Current Assets	As at March 31, 2022	As at March 31, 2021
Loan Installments paid in advance	3,50,000	12,50,000
Cash Collaterals	5,04,83,521	1,30,05,100
Security deposit on rental Properties	45,000	20,500
Interest Receivable on Cash Collaterals	45,442	2,18,258
	<b>5,09,23,963</b>	<b>1,44,93,858</b>
Note 15 : Cash and Cash Equivalents	As at March 31, 2022	As at March 31, 2021
Balances with Banks in current accounts	1,45,76,926	15,72,477
Term Deposits with bank	68,36,487	-
Cash on hand	1,30,978	12,035
Cash balance collected by Agent	98,394	-
	<b>2,16,42,785</b>	<b>15,84,512</b>
Note 16 : Short Term Loans and Advances	As at March 31, 2022	As at March 31, 2021
Loan to staff - Secured and considered good	6,89,622	9,25,386
Advances to staff - Secured and considered good	9,40,413	71,874
<b>Portfolio Loan</b>		
i) Joint Liability Group Loans	9,97,02,309	11,01,98,616
ii) Sanitation Loans	4,48,828	84,88,644
	<b>10,17,81,172</b>	<b>11,96,84,520</b>
Type of Borrower	As at March 31, 2022	As at March 31, 2021
Chirag patel (KMP - CFO)	3,02,700	-
<b>% to total loans to staff</b>	<b>43.89%</b>	<b>0.00%</b>



**Prayas Financial Services Private Limited**  
Notes forming part of the Financial Statements

Note 17 : Trade receivables								As at March 31, 2022	As at March 31, 2021
(A) Undisputed Trade Receivables Considered Good								81,60,884	-
(B) Undisputed Trade Receivables Considered Doubtful								-	-
(C) Disputed Trade Receivables Considered Good								-	-
(D) Disputed Trade Receivables Considered Doubtful								-	-
(E) Unbilled Dues								-	-
								81,60,884	-
(FY 2021-22)									
Particulars	Less than 6 Months	6 months - 1 year	1 - 2 years	2 - 3 Years	More than 3 Years	Not due	Total		
(A) Undisputed Trade Receivables Considered Good	64,73,410	-	-	-	-	-	64,73,410		
(B) Undisputed Trade Receivables Considered Doubtful	-	-	-	-	-	-	-		
(C) Disputed Trade Receivables Considered Good	-	-	-	-	-	-	-		
(D) Disputed Trade Receivables Considered Doubtful	-	-	-	-	-	-	-		
(E) Unbilled Dues	16,87,474	-	-	-	-	-	16,87,474		
<b>Total</b>	<b>81,60,884</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,60,884</b>		
(FY 2020-21)									
Particulars	Less than 6 Months	6 months - 1 year	1 - 2 years	2 - 3 Years	More than 3 Years	Not due	Total		
(A) Undisputed Trade Receivables Considered Good	-	-	-	-	-	-	-		
(B) Undisputed Trade Receivables Considered Doubtful	-	-	-	-	-	-	-		
(C) Disputed Trade Receivables Considered Good	-	-	-	-	-	-	-		
(D) Disputed Trade Receivables Considered Doubtful	-	-	-	-	-	-	-		
(E) Unbilled Dues	-	-	-	-	-	-	-		
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
Note 18 : Other Current Assets								As at March 31, 2022	As at March 31, 2021
Cash Collaterals							2,35,14,107	2,71,96,940	
Interest Receivable on Cash Collaterals							10,01,533	25,29,672	
Advances to Suppliers							6,524	14,44,693	
Balance with statutory Authorities							21,00,845	22,09,841	
Prepaid Expenses							1,42,737	1,64,254	
Advance EMI							12,50,000	-	
Other Current Assets							2,79,656	11,359	
							<b>2,82,95,402</b>	<b>3,35,56,759</b>	



**Prayas Financial Services Private Limited**  
**Notes forming part of the Financial Statements**

(Amount in ₹)

Note 19: Revenue from Operations	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income on Loan Products	3,72,72,638	1,52,01,479
Commission Income from Managed Portfolio	2,53,08,612	2,27,91,231
Loan Processing Fees	20,27,644	26,46,830
	<b>6,46,08,894</b>	<b>4,06,39,540</b>
Note 20: Other Income	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income on Cash Collaterals and Fixed Deposit	29,37,459	29,70,736
Income from change in value of Defined benefit Obligation	34,221	-
Other income	1,85,081	88,946
	<b>31,56,761</b>	<b>30,59,682</b>
Note 21: Employees Benefit Expenses	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, bonus and allowances	2,75,17,927	1,98,65,718
Defined contribution expenses	8,95,584	6,82,675
Gratuity Expense	-	7,38,267
	<b>2,84,13,511</b>	<b>2,12,86,660</b>
Note 22: Finance Costs	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expense	1,87,64,192	53,60,879
Other Finance Cost	6,29,813	15,53,345
Bank Charges	92,377	1,50,616
	<b>1,94,86,382</b>	<b>70,64,840</b>





**Prayas Financial Services Private Limited**  
**Notes forming part of the Financial Statements**

(Amount in ₹)

Note 23: Other Expenses	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent and Rates	30,38,885	23,98,577
Electricity Expenses	2,89,091	1,99,965
Travelling to Staff Expense	30,60,157	20,39,297
Legal and Professional fees	6,79,407	8,89,890
<i>Payments to the auditor as:</i>		
Statutory audit fees	2,20,000	25,000
Others	3,45,509	95,000
Insurance Expense	4,65,285	1,51,753
Recruitment Expense	47,466	
GST Reversal Expense	5,38,383	5,32,875
Commission Expense	18,25,650	11,52,000
Membership Fees	52,500	1,55,490
Repairs & Maintenance:		
Computers and Software	8,42,088	7,67,696
Office	2,33,388	75,909
Vehicles	39,203	43,748
Telephone Expense	4,17,425	2,65,148
Housekeeping & Cleaning Expense	6,48,458	4,44,892
Donation Expense	2,85,000	1,60,000
Printing & Stationery Expense	6,45,667	2,72,081
ROC Filing Expense	8,87,300	4,06,250
Petrol & Diesel Expens	82,774	44,424
Postage & Courier Expense	1,02,358	64,555
Advertisement Expense	10,439	4,610
Training , Meeting and Workshop Expense	4,32,369	99,289
Cash Collection Charges	1,90,383	-
Tea and Refreashment expense	1,67,433	1,10,727
Other Expenses	4,96,152	3,78,434
Provisions against Portfolio Loans	2,95,94,337	18,00,752
	<b>4,56,37,107</b>	<b>1,25,78,362</b>



**Prayas Financial Services Private Limited**  
**Notes forming part of the Financial Statements**

(Amount in ₹)

Note 24: Earnings Per Equity Share	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year (₹)	(2,40,68,822)	16,26,065
Amount available for equity shareholders (₹)	(2,40,68,822)	16,26,065
Weighted average number of shares	85,12,004	70,97,362
Basic and Diluted Earnings per Share (₹)	(2.83)	0.23
Face Value per Equity share (₹)	10.00	10.00

**Note 25 : Related Party Disclosures**

**A) Related parties and their relationship**

Related Parties	Nature of Relationship
Bhadreshkumar Keshavlal Rawal	Managing Director
Dineshnarain Haridayanarain Awasthi	Director
Charmi Rawal	Relative of Director
Yug Bhadreshbhai Rawal	Relative of Director
Sunitaben Rawal	Relative of Director
Prayas Organization (AOP)	Associate Company / Trust / Organisation
Prayas Organization For Sustainable Development (Trust)	Associate Company / Trust / Organisation
Prayas Organization For Sustainable Development - Section 8	Associate Company / Trust / Organisation

**B) Transactions with related parties for the year ended 31 March 2022**

(Amount in ₹)

Particulars	Director	Relatives of Director	Associate Company / Trust / Organisation	Total
Salary including Bonus and Incentives	19,89,720 19,88,000	- -	- -	19,89,720 19,88,000
Interest expenses	- -	- -	1,11,93,091 38,28,843	1,11,93,091 38,28,843
Rent Expenses	- -	1,80,000 -	16,14,000 12,69,000	17,94,000 12,69,000
Commission Income	- -	- -	54,48,052 2,01,44,319	54,48,052 2,01,44,319
Loan taken	- -	- 50,00,000	2,72,39,553 9,58,55,752	2,72,39,553 10,08,55,752
Loan repaid	- -	- -	2,31,40,486 2,37,79,871	2,31,40,486 2,37,79,871
Loan Converted into Shares	- -	- 50,00,000	- -	- 50,00,000
Interest Income on Cash Collaterals	- -	- -	9,04,417 27,34,780	9,04,417 27,34,780
Cash Collaterals returned	- -	- -	2,02,48,144 2,30,08,168	2,02,48,144 2,30,08,168



**Prayas Financial Services Private Limited**

**Notes forming part of the Financial Statements**

C) Balances with related parties as at 31 March 2022

Particulars	(Amount in ₹)			
	Director	Relatives of Director	Associate Company / Trust / Organisation	Total
Long term borrowings	-	-	9,11,96,882	9,11,96,882
	-	-	7,59,04,724	7,59,04,724
Cash Collaterals	-	-	1,03,82,893	1,03,82,893
	-	-	2,97,26,612	2,97,26,612
Trade Payables	-	15,000	-	15,000
	-	-	-	-
Managed Portfolio	-	-	9,43,164	9,43,164
	-	-	18,65,669	18,65,669
Amount Payable in Course of intermediary services	-	-	10,22,026	10,22,026
	-	-	16,75,674	16,75,674

*Previous years' figures are in italics.*





**Prayas Financial Services Private limited**  
Notes forming part of the Financial Statements

Note 26 : Financial Ratios								
Sr. no.	Particular	Basis	Numerator	Denominator	For the year ended March 31, 2022	For the year ended March 31, 2021	% change	Reason
(a)	Current ratio	Times	Current Assets	Current Liabilities	4.14	2.69	53.87%	During the year current liability of the company has been reduced hence there is a variance in the ratio.
(b)	Debt Equity Ratio	Times	Total Debt	Shareholders Equity	1.93	1.39	38.72%	Due to high provision for Portfolio Loans and Bussiness Expansion company has incurred losses resulting in variance in the ratio.
(c)	Debt service coverage Ratio	Times	Earnings available for debt service	Debt Service	-0.14	0.14	-196.13%	Due to high provision for Portfolio Loans and Bussiness Expansion company has incurred losses resulting in variance in the ratio.
(d)	Return on Equity Ratio	Percentage	Equity Earnings	Average Share holder's fund	-7.82%	0.58%	1458.27%	Due to high provision for Portfolio Loans company return on Equity has been reduced.
(f)	Net Capital Turnover Ratio	Times	Revenue from Operations	Working Capital	0.53	0.42	27.54%	During the year current liability of the company has been reduced hence there is a variance in the ratio.
(g)	Net Profit Ratio	Percentage	Net Profit after Tax	Revenue from Operations	-37.25%	4.00%	1031.05%	Net profit ratio has been reduced due to losses incurred by creation of high provision of portfolio loans.
(h)	Return on Capital Employed	Percentage	Earning before interest and taxes	Capital Employed	-4.05%	3.73%	208.56%	Return on capital employed has reduced due to increased in operational losses.



Note 27: Terms of Secured and Unsecured Loans:

Particulars	Type of Facility	Amount - Current	Amount - Non Current	Installments (months)	Rate of Interest(in %)
<b>1. Loan from NBFC: (Secured)</b>					
MAS Financial Services Limited	Known as Term Loan - 1	24,99,994	-	24	16.50
MAS Financial Services Limited	Known as Term Loan - 2	91,40,710	-	24	16.50
<b>2. Loan from NBFC:(Unsecured)</b>					
Mi India Capital and Investment Private Limited	Term Loan	75,00,001	-	24	15.00
<b>3. Loan from NBFC:(Secured)</b>					
Arohan Finance Services Limited	Term Loan	51,75,565	13,83,336	24	14.00
<b>4. Loan from NBFC:(Secured)</b>					
Usha Financial Services Private Limited	Term Loan	38,93,750	10,77,285	24	16.50
<b>Total loan from NBFCs</b>		<b>2,82,10,020</b>	<b>24,60,621</b>		
<b>3. loan from Others: (Secured)</b>					
Friends of Women World Banking	Term Loan	34,78,255	-	24	15.00
<b>Total Loan from Others(Secured)</b>		<b>34,78,255</b>	-		
<b>4. Loans from Others: (Unsecured)</b>					
Prayas Organisation	Term Loan	-	8,40,25,369	24	13.50
Prayas Organisation for Sustainable Development	Term Loan	-	71,71,513	24	13.50
<b>Total loan from Others(Unsecured)</b>		-	<b>9,11,96,882</b>		
<b>Total</b>		<b>3,16,88,275</b>	<b>9,36,57,503</b>	-	-





# Prayas Financial Services Private Limited

## Notes Forming Part of Financial Statements

### Note 28: Assets Classifications & Provisioning Norms:

#### 1. Assets Classification:

All loans and Advances are classified as standard, non-performing assets, doubtful and loss assets in accordance with the existent Non-banking Financial (Non deposit Accepting or holding) Companies Prudential Norms (Reserve bank) Directions, 2007.

(Amount in ₹)

Classification	No. of days overdue	As at March 31, 2022	As at March 31, 2021
Standard Assets	No default in repayment	10,73,99,378/-	16,77,98,383/-
Overdue Assets	Overdue up to 90 days	18,57,189/-	1,40,778/-
Non – Performing Assets	Overdue more than 90 to 180 days	5,43,654/-	-
Loss Assets	Overdue more than 180 days	12,33,203/-	-
<b>Total Portfolio</b>		<b>11,10,33,424/-</b>	<b>16,79,39,161/-</b>

Sr. no.	Particulars	As at March 31, 2022	As at March 31, 2021
1	Balance of Outstanding portfolio of Owned Funds	11,10,33,424	16,79,39,161
2	Balance of Outstanding portfolio of Managed Funds	54,95,84,047	26,96,70,704
	<b>Total</b>	<b>66,06,17,471</b>	<b>43,76,09,865</b>

#### 2. Provision on Loan Portfolio:

The provision determined is subject to the provision prescribed in the NBFC – MFI Directions:

These Directions require the total provision to be higher of:

- 1% of the outstanding loan portfolio or
- 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.

(Amount in ₹)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	16,79,391/-	-
Additions during the year	2,95,94,337/-	18,00,752/-
Deletion during the year	-	1,21,361/-
Closing Balance	3,12,73,728/-	16,79,391/-

**Note:** All overdue loans, where the in the opinion of the management any amount is not recoverable are written off. The management has decided to create excess provision as required by Master Circular- 'Non-Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs) – Directions.





# Prayas Financial Services Private Limited

## Notes Forming Part of Financial Statements

### Note 29: Additional disclosure as required by RBI

(i) Details of average interest paid on borrowing and charged on Loans given to Joint Liability Group:

Particulars	Rate of Interest in (%)
Average Interest rate on loans given	23.15%
Average Interest rate on Borrowings	14.06%
Net Interest margin	9.09%

(ii) Capital to Risk Assets Ratio (CRAR):

Sr. no.	Particulars	FY 2021-22
(i)	CRAR (%)	136.83%
(ii)	CRAR Tier 1 Capital (%)	136.83%
(iii)	CRAR Tier 2 Capital (%)	-
(iv)	Amount of subordinated debt raised as Tier – 2 capital (%)	-
(v)	Amount raised by issue of perpetual debt instruments	-

### Note 30: AS – 15 Employee Benefits:

As per Accounting Standard 15 on "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are furnished below:

#### a. Short term Employee Benefits:

Short term employee benefits payable within twelve months of rendering the service including Bonus at the Balance Sheet date are recognized as an expense as per the Company's scheme base on expected obligations on undiscounted basis.

#### b. Long term Employee Benefits:

Post-retirement benefits comprising of employees Provident Fund and Gratuity Fund are accounted for as follows:

- Provident Fund:** This is a defined contribution plan and contributions paid to the Regional Provident Fund Commissioner, Gujarat, are charged to revenue during the period. The Company has no further obligations for future provident fund benefits other than regular contributions.
- Gratuity:** The liability for Gratuity to employees as on the Balance Sheet date is determined based on actuarial valuations & the contribution paid thereof is charged in the books of accounts.

Disclosures envisaged in Accounting Standard (AS) 15- Employee benefits as given below:

#### (i) Defined Benefit Plan:

In the adoption of AS 15 'Employee Benefits' specified under section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014 the following disclosures have been made as required by the standard:



# Prayas Financial Services Private Limited

## Notes Forming Part of Financial Statements

### 1. Expense recognized in the statement of profit and loss:

(Amount in ₹)

Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a)	Current service cost	3,77,054/-	7,38,267/-
b)	Past service cost	-	-
c)	Interest cost	51,014/-	-
d)	Expected return on plan assets	-	-
e)	Curtailment cost / (Credit)	-	-
f)	Settlement cost / (credit)	-	-
g)	Net actuarial (gain)/ loss recognized in the period	(4,62,289)/-	-
h)	Expenses recognized in the statement of profit & losses	(34,221)/-	7,38,267/-

### 2. Change in value of obligations:

(Amount in ₹)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
a)	Present value of obligation as at the beginning of the period	7,38,267/-	-
b)	Acquisition adjustment	-	-
c)	Interest cost	51,014/-	-
d)	Past service cost	-	-
e)	Current service cost	3,77,054/-	7,38,267/-
f)	Curtailment cost/(Credit)	-	-
g)	Settlement cost/(Credit)	-	-
h)	Benefits paid	-	-
i)	Actuarial (gain)/loss on obligation	(4,62,289)/-	-
j)	Present value of obligation as at the end of period	7,04,046/-	7,38,267/-

### 3. Change in Value of Plan Assets:

(Amount in ₹)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
a)	Fair value of plan assets at the beginning of the period	-	-
b)	Acquisition adjustment	-	-
c)	Actual return on plan assets	-	-
d)	Employer contributions	-	-





# Prayas Financial Services Private Limited

## Notes Forming Part of Financial Statements

e)	Recoverable/Recovered from LIC	-	-
f)	Benefits paid	-	-
g)	Fair value of plan assets at the end of the period	-	-
h)	Funded status	(7,04,046)/-	(7,38,267)/-
i)	Excess of actual over estimated return on plan assets	-	-

#### 4. Movement in the liability recognized in the balance sheet:

(Amount in ₹)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
a)	Opening liability	7,38,267/-	-
b)	Expenses as above	(34,221)/-	7,38,267/-
c)	Benefits paid	-	-
d)	Actual return on plan assets	-	-
e)	Acquisition adjustment	-	-
f)	Closing liability	7,04,046/-	7,38,267/-

#### 5. Actuarial Assumptions at the Valuation date:

(Amount in ₹)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
a)	Discount Rate	7.40%	6.91%
b)	Salary Escalation Rate	10%	10%
c)	Retirement Age (Years)	58 Years	58 years
d)	Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
e)	Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
	Up to 30 Years	30.00	23.00
	From 31 to 44 years	28.00	6.00
	Above 44 years	10.00	0.00

#### (ii) Defined Contribution Plan:

Contribution to Provident Fund and labor fund is included in Note 21 "Defined Contribution expense" includes ₹8,95,584 /- being expense debited under defined contribution plan.

#### Note 31: Operating Lease

The Company has taken on operating lease premises for a period ranging 11 months to 12 months which are non – cancellable for the period reflected in the agreements. The total lease payments for the current year, in respect of operating leases, includes under rent, aggregates to ₹ 30,38,885/- (NIL Capitalized) (FY 2020-21: 23,98,577/-)





# Prayas Financial Services Private Limited

## Notes Forming Part of Financial Statements

**Note 32: Contingent Liabilities and Commitment** - Nil (FY 2020-21: Nil)

**Note 33: Earnings in foreign currency for the year ended 31st March 2022:** Nil (FY 2020-21: Nil)

**Note 34: Expenditure in foreign currency for the year ended 31st March 2022:** Nil (FY 2020-21: Nil)

**Note 35:** There are no pending litigations comprise of claims against the Company and proceedings pending with Tax Authorities (FY 2020-21: Nil)

**Note 36:** Previous years' figures have been recast / restated.

As per our report of even date attached

For Shah & Shah  
Chartered Accountants  
(Firm's Registration Number: 131527W)

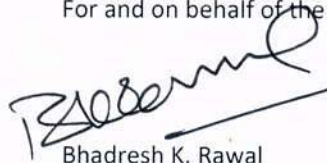


Per Tejas Shah  
Partner  
Membership Number: 135639

Place : Ahmedabad  
Date : June 16, 2022



For and on behalf of the Board



Bhadresh K. Rawal  
Managing Director  
DIN: 06746695



Charmi Shah  
Company Secretary  
Membership No.: A50324

Place : Gandhinagar  
Date : June 16, 2022



Dinesh H. Awasthi  
Director  
DIN: 00415781



Chirag Patel  
Chief Financial Officer

