



**ANNUAL
REPORT
2022-23**

SERVITIUM
Micro Finance Private Limited




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RIISING TO THE NEXT LEVEL IN ONE DIRECTION



The journey of 2022-23 is about to challenge the odds faced in the previous financial year due to various external factors. The organization has to prove its value chain which it has established since it came to existence with the commitment to change the ecosystem of rural lives of the country. Servitium has learned, tapped opportunities and grown from strength to strength. With its learning from the past and wisdom for the future, Servitium is illuminating the horizon. Servitium has leveraged its value system to emerge as one of the contributors to the Indian financial inclusion landscape.

From bettering its operational processes to putting in place a state-of-the-art technological and digital platform, from benefitting lives in the remotest of locations, Servitium is steadily obtaining the opportunity and privileges of making a sustainable change in the underserved communities. With accomplishments of the past and an eye on the future, Servitium is poised for scale.



About Us

SERVITIUM MICRO FINANCE PRIVATE LIMITED (CIN - U51909WB1995PTC069463) is an NBFC registered with Register of Companies (ROC), Ministry of Corporate Affairs, and Government of India having its Registered & Corporate Office at 24/1, Old Calcutta Road, Chowdhury Para, Rahara, and Kolkata - 700118. The date of incorporation is March 16, 1995. The Company is also registered with Reserve Bank of India having Registration No - B.05.03990 dated 22.01.2001. It is a No Deposit Taking Non-Banking Financial Institution under 45IA of the Reserve Bank of India Act, 1934. The Authorized Capital of the company is Rs. 10.20 Crore and the paid-up capital is Rs. 6.08 Crores.

The main objective of the company is to provide financial services along with other technical support to the downtrodden class of women for enterprise development and thus to make them economically empowered and to place them in the society at a very dignified status. Presently the operation of the company is confined in 3 branches in Bihar & 7 branches in West Bengal in micro - lending through SHG group model for achieving 84.00 % qualifying asset for enabling the company to get for NBFC - MFI Licence from Reserve Bank of India.

Since this inception, Servitium has focused on increasing outreach in the pro-poor geographical & market segments. Servitium operations have spread across the diverse geographical area, ranging from the widely spread rural areas to densely populated semi urban areas.

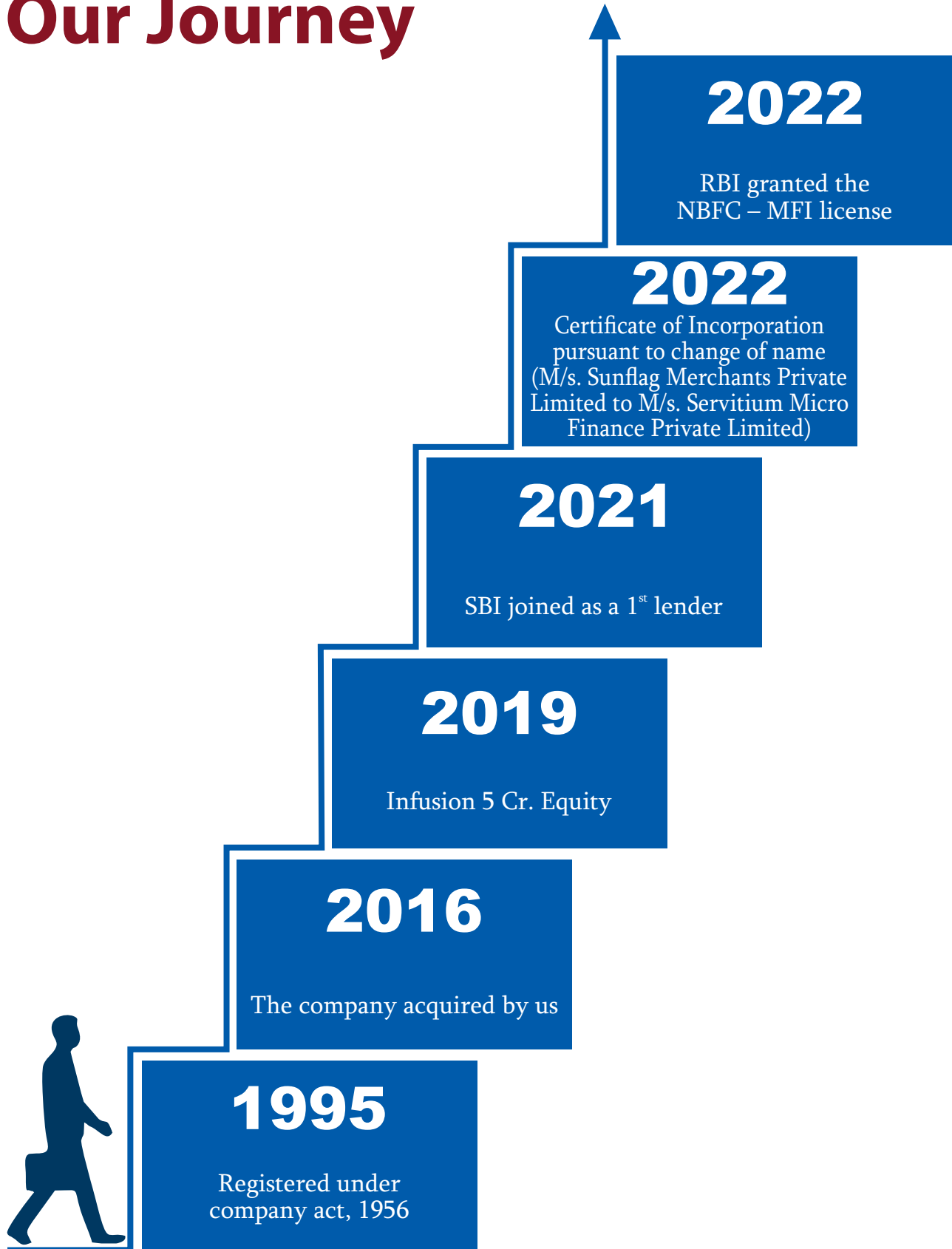
Servitium works for alleviation of poverty through economic intervention and social empowerment of the unprivileged class of the society, with the special focus on women and promotes work empowerment. Servitium is equipped with a technology-driven delivery model ensuring low cost operations and innovative products which best suit the requirement of its clientele.

Being into the microfinance industry, Servitium operates on the Self-help group (SHG) model to provide unsecured loans to its members.

This model ensures credit discipline through weekly, fortnightly & monthly meetings, mutual support within the group to make sure the individual members are diligent in utilizing the loans and are prompt in repaying too.



Our Journey



Managing Director's Address



I am delighted to connect with you again through the Servitium Annual Report for the Financial Year 2022-23 and sincerely hope that you and your loved ones are doing well as we exit the pandemic and get back to normalcy. I will discuss the key developments of last year and how we look forward to the new financial year with a comprehensive update to all of you. Since its very inception, some forty odd years ago, Microfinance has been a game changer. The model of providing micro credit to the impoverished has helped numerous people move out the clutches of the loan sharks and has brought back the hapless their self-esteem.

The primary lesson that Servitium Micro Finance Private Limited, (SMPL) has taught me is that the task of a Micro finance Institution begins with re-orientation of its perception. Financial

inclusion should be its priority. Priority cannot be. I reiterate cannot be, 99.79% recovery of the loans. Practicing this doctrine over the years SMPL has emerged as significant and sustainable provider of a dependable banking system to the impoverished across the state of West Bengal & Bihar continuously bridging the gap between the formal banking sector and the un-banked poor.

Despite the pandemic Covid-19, the challenging economy and adverse ground-level conditions during the financial year 2022-23, the Company with the strong support of management team and dedicated workforce has achieved a considerable operational and financial performance. During the year, the Company disbursed an amount of Rs. 4765.80 lakhs loan through 14788 loan accounts. The Company's AUM stood firmly at Rs. 3019.17 Lakhs, a 258.51% increase from the end of March 2022, however, through the year, the Company has reached out to 13984 clients spread across 2 States and 10 Branches. Our Total Revenue, PBT and PAT are at Rs. 533.56 Lakhs, Rs. 206.69 Lakhs and Rs. 144.77 lakhs respectively. Our staff member has always been a pillar of strength throughout the years. The entire team did an outstanding job in this tough time. Customer is always our first priority and we remain a committed and socially responsible MFI. We express our gratitude to our clients for continuously selecting us for their financial needs.



Although, Servitium took a conservative approach to business last year with a focus on collections, we ensured that our regular borrowers were provided with the credit they needed and deserved. We continued with our focus on adding to the management bench strength and successfully on boarded a new Chief Business Officer to steer our organization towards the next phase of growth.

Our field teams deserve recognition for handling the difficult external conditions of the pandemic, cyclones, elections, local restrictions and lockdowns amongst others, in which they had to meet customers and manage customer relationships. Our unique 3 pillar quality approach with branch Operations & Quality, Internal Audit and Risk Management based on the foundation of a strong Credit Underwriting vertical, have kept us in good stead as we navigated through the pandemic, while preparing for normalcy. With new initiatives and fine-tuned processes, our quality functions will always be the steel frame when we scale up and grow. Our five-year Vision plan of 23 by 2027 will need an additional year to make up for lost time during the pandemic.

At the end, let me express my sincere gratitude to all the members to staff, especially those working in the fields for their unstinted devotion to duty without which it would not have been possible to withstand the severity of this Covid-19 crisis. In this backdrop, I appeal to all the Members of Staff of Servitium Micro Finance, including our Board of Directors, Shareholders, Well-Wisher, Advisors, Business Partners & Funding agencies to join hand in hand, Shoulder to shoulder, forgetting about personal interests and work unitedly to move ahead in the days to come with the belief that “We shall overcome someday, Oh, deep in my heart, We do believe”.

Subrata Ghosh

Managing Director

Servitium Micro Finance Private Limited



Mission

Our mission is to create opportunities for the distressed, disadvantage and deprived segments of the society with a prime focus on poor women so that they can attain socio - economic empowerment and substantial social and economic development.



Vision

With a vision of a just, enlighten, healthy and democratic India free from the evils of gender discrimination, illiteracy, secured hunger, poverty and exploitation where men and women move forward to achieve highest levels of humanity and solidarity.



Core Values



Cost Effective

Administration costs and credit costs are the next pillar in ascertaining earnings quality. An NBFC's cost efficiency and strong risk management practices generally translate into lower operating expenses and credit costs. Servitium reduced credit and administration costs to confidently navigate through economic and interest cycles without impairing the earnings quality.



Responsibility

Servitium's responsibility is to be reliable, but also creative, have self-confidence and be ready to take on challenges. That each employee takes their responsibility means showing personal leadership.



Efficiency

It is important for our fiscal responsibility, but it must be placed within the framework of serving our customers in a way that keeps them satisfied long term. We embrace continuous improvement to establish a performance driven culture that identifies and eliminates waste to deliver value to our customers through improved products and services.



Affection

We listen to and respect our customers and each other so we can act with insight, understanding and compassion.



Transparency

Thinking & working together across functional groups, hierarchies, businesses and geographies can succeed only with a high degree of Transparency. No amount of leveraging diverse competencies no promotes organisational unity and a vibrant culture can succeed unless our action and finances are transparent.



Integration

We are committed to being open, honest, and forthright in all we do. The resulting trust ensures a level of efficiency, effectiveness, productivity, and service critical to achieving our mission. / We acknowledge that we must carry out our duties with authentication, fairness, straight-forwarded and transparency in order to honour, all who are entrusting us to serve them every day.



Value

Servitium recognizes its shareholders to be an important stakeholder whose interests it strives to protect, and to whom it seeks to deliver value by focusing on sustainability, profitability and growth of the business.



Excellence

We will perform our duties with distinction and to the best of our ability. We will strive to improve our abilities to be innovative and set a standard for others.

Board of Directors

Mr. Subrata Ghosh

Managing Director



Mr. Subrata Ghosh an M. Com (MBA – Finance) from Calcutta University. He brings with him an enriched experience of Micro Finance Industry for over 18 years. He is associated with a MFI. He has a clear vision about the organization in the dynamic Micro Finance Industry and has detailed knowledge in finance, fund raising, ground level operations and other allied activities. His leadership qualities and communication skills has taken him to the position of Director of the Company and also a member of the Audit committee of the Company. He has enriched his knowledge by attending different programs and seminars on this field organized by different leading institutions. Being the Director of the Company he looks after the Finance, Administration and Audit of the Company.

Mr. Sunil Kumar Chakraborty

Director



30 years' experience in UCO Bank as an officer and Branch Manager. He had exposure to operations, credit and rural finance. After retirement attached to 'Servitium Micro Finance Private Limited. He has evinced tremendous efficiency and peerless prudence in managing the financial resource of the organization. He is highly proficient in critical functional disciplines like risk-analysis, contingency - management, corpus - building strategies etc.

Mrs. Rita Ghosh

Director



She is associated with a registered society as Coordinator for last 07 years. The organization is engaged in poverty eradication through financial inclusion and also helping in livelihood promotion activities. The principal areas of activities are in West Bengal. The target populations are hailed from the financially weaker sections of the society.



Mr. Chanchal Majumder

(Independent Director)



Retired as Senior most General Manager of UCO Bank (Public sector Bank) and Head of the Credit Monitoring Department along with Head of Stressed Assets Management Vertical having more than 5 and half years' experience as GM handling all sorts of borrowal accounts (both small, medium and big) under stressed, special mention accounts. Experience as a Zonal Manager (as DGM) of Mumbai, the largest zone of UCO bank in India. Experienced leading as a Branch Head (as AGM/DGM) Mid Corporate/Flagship Corporate branch, D N Road Mumbai followed by Flagship Corporate Branch, Nariman Point, Mumbai (Largest branch UCO bank in India) for almost 4 and half years managing both mid and large corporate borrowal accounts of almost of leading corporate entities in India. Acting as director of Servitium Micro Finance Pvt. Ltd. for the last 01 years, the captioned NFBC and engaged in bulk lending to other organizations and small ticket lending for last 2 year. He is highly proficient in critical functional disciplines like risk-analysis, contingency - management, corpus - building strategies etc.



Management Team



Mr. Subrata Ghosh
Managing Director

He is handling the crucial task of human resource planning and capacity building. He is facilitating the workers to construe the fundamental intuitional policy and in encrypting the standardized operational intricacies. To be precise he has adopted the role of a pivotal fulcrum around which the entire operational activities are continually revolving in a methodical, systematic and disciplined pattern.



Mr. Biswajit Sarkar
Operational Manager

12 years in Proshika as B.M. & D.M. also 07 years in SEBA as Divisional Manager. He is looking after the Branches, monitoring daily function of branches to protect the fraud and misappropriation of Kinds. He has attended the training program of RMK.



Mr. Debendra Modak
Operational Manager

17 Years' experience in Micro Finance Sector (Sahara Uttarayan & Uttrayan Financial Services Pvt. Ltd.) 4 years' experience in Business Correspondence with Yes Bank & IDBI Bank Limited.



Mr. Pijush Saha
Manager – HR

He is responsible for the smooth and profitable operation of the department, supervision and providing consultation to management on strategic staffing plans, compensation, benefits, training and development and other related activities of the organization.



Mr. Jayanta Samanta

Manager-MIS

A Bachelor degree holder in Commerce, has been attached with SEBA since 2007. He is knowledgeable for MIS & Accounts and preparing various accounts reports like ratio analysis, fund Management, Balance Sheet etc. He has attended in various training and conference conducted by Sa-dhan, AMFI, FI's etc.



Mr. Sandipta Sinha Roy

Manager - Finance

12 years' experience in Process Control Instrumentation sector engaged in Office Management, Forex, Central Excise, And Sales tax etc. 03 years in SEBA at HR Department handled with staff recruitment, PF, ESIC etc. Now he is looking after various MIS Report generation, deals with software RELATED ISSUE ETC. He has attended in various training and conference conducted by Sa-dhan, AMFI, Banks/FI's etc.



Mr. Chinmoy Kumar Mondal

Manager –Accounts

A B.com Graduate, having a profound knowledge in Tally ERP and 8 years of experience in a manufacturing unit as an Accountant, he is serving us as Manager in the Accounts Department.



Mr. Trelash Roy

Manager – Loan Processing

Worked as a data entry and KYC Verification in UCO and Allahabad Bank Temporally.

Advisory Board



Mr. Partha Sengupta

Advisor

Joined in UCO Bank as Agricultural Field Officer (Scale I) as on 02/07/1984. Retired on 31/01/2019 as General Manager (Scale VII). In 34 years and 6 months of working as a banker, he has worked in different capacities like Assistant Manager, Branch Head, Officer in Lead Bank Office, Executive Assistant in Executive Director's Office, SME Hub In-charge, Zonal Manager in 4 zones (Agartala, Bhubaneswar, Salt Lake and Kolkata Zone). As Field Officer he got the opportunity to work in rural areas, handled Rural Credit, particularly Crop financing and other Govt. Programmes for upliftment of rural masses. He has worked in credit department in Zonal Office wherein got the opportunity to handle big advances. His career progressed with the passage of time with satisfactory discharge of his duties in different capacities and Bank has promoted him from time to time and finally as General Manager (Recovery) he retired from Head Office.



Mr. Ranjib Kumar Ghosh

Advisor

Ranjib Kumar Ghosh, The advisor is endowed with tremendous conceptual regarding the minute intricacies of the Micro Finance industry. A visionary yet pragmatic professional who can steer the organization through the path of prosperity.



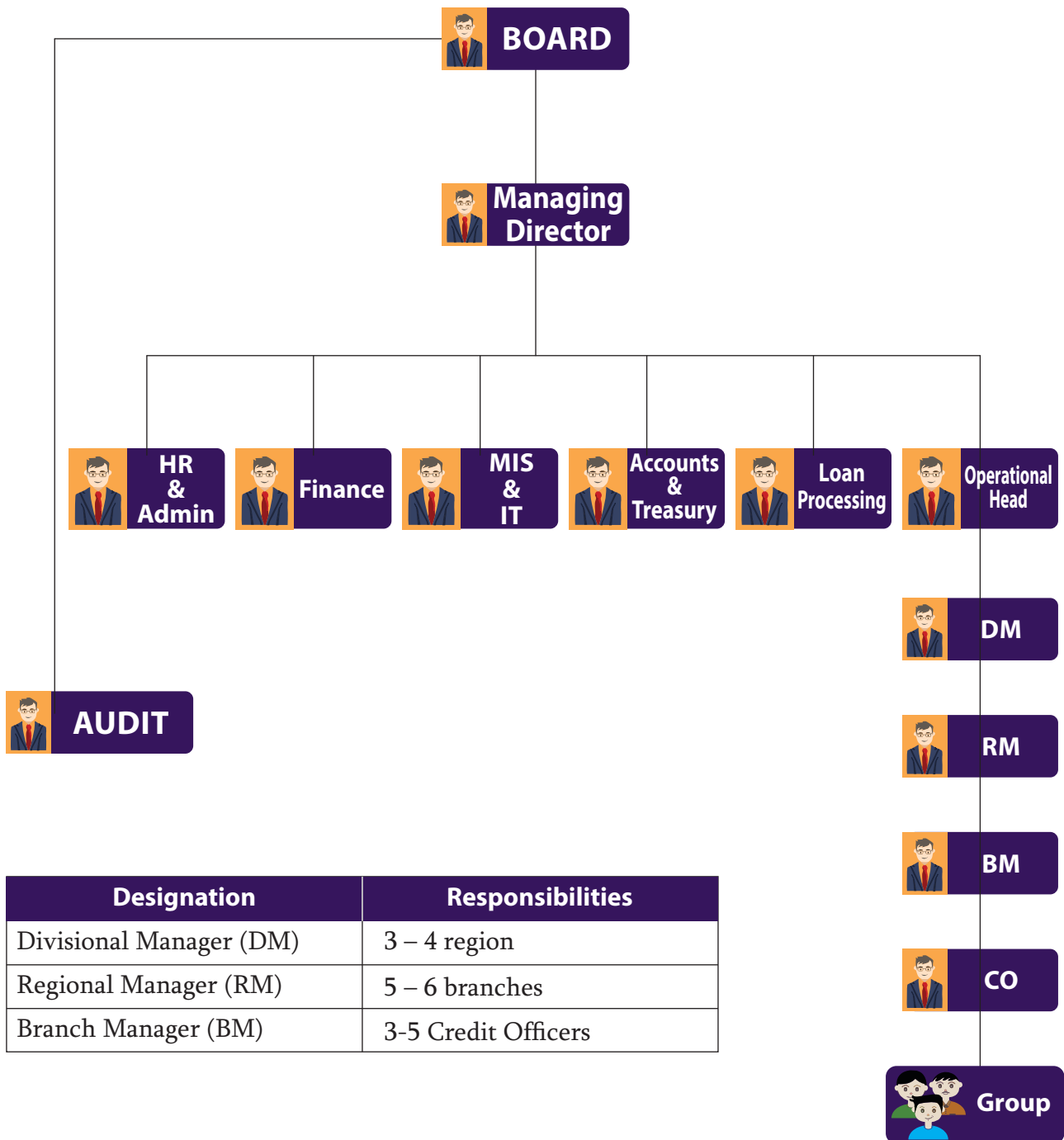
Mr. Shyamal Banerjee

Advisor

Retried as a Assistant General Manager United Bank of India, last 3 decades core area of its expertise in rural financing information technologies, Asst. Regional Manager and Branch Manager a long time he was associate to develop IT & CBS development process of the Bank and he sharp as a General Manager Bangiya Gramin Vikash Bank (Regional Rural Bank United Bank of India) to develop IT system and CBS system of the Bank.



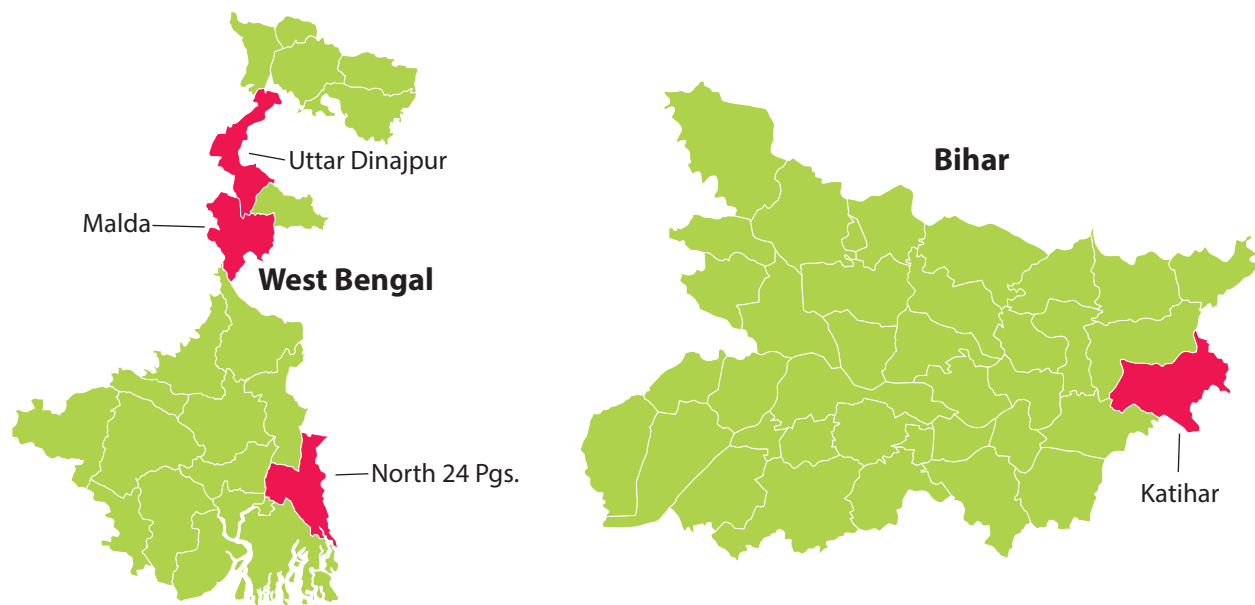
Internal Control System :



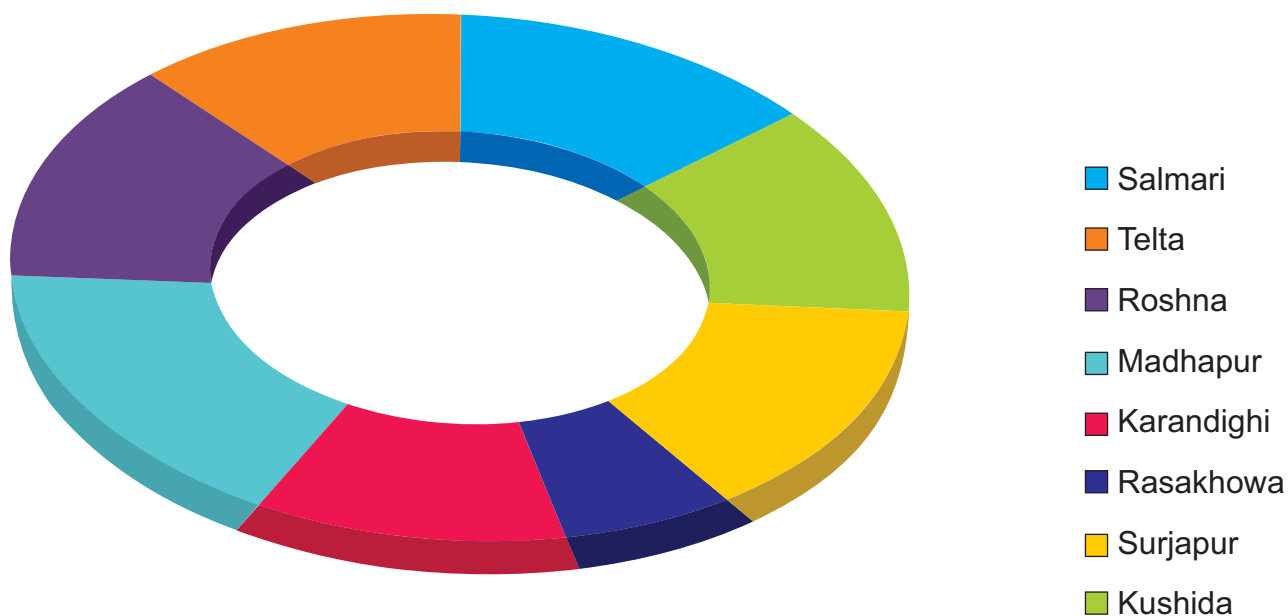
Designation	Responsibilities
Divisional Manager (DM)	3 – 4 region
Regional Manager (RM)	5 – 6 branches
Branch Manager (BM)	3-5 Credit Officers

Our Operation Area

Operating Location of Servitium Micro Finance



Branch Wise Portfolio Outstanding As On March 2023





Loan Process Mechanism



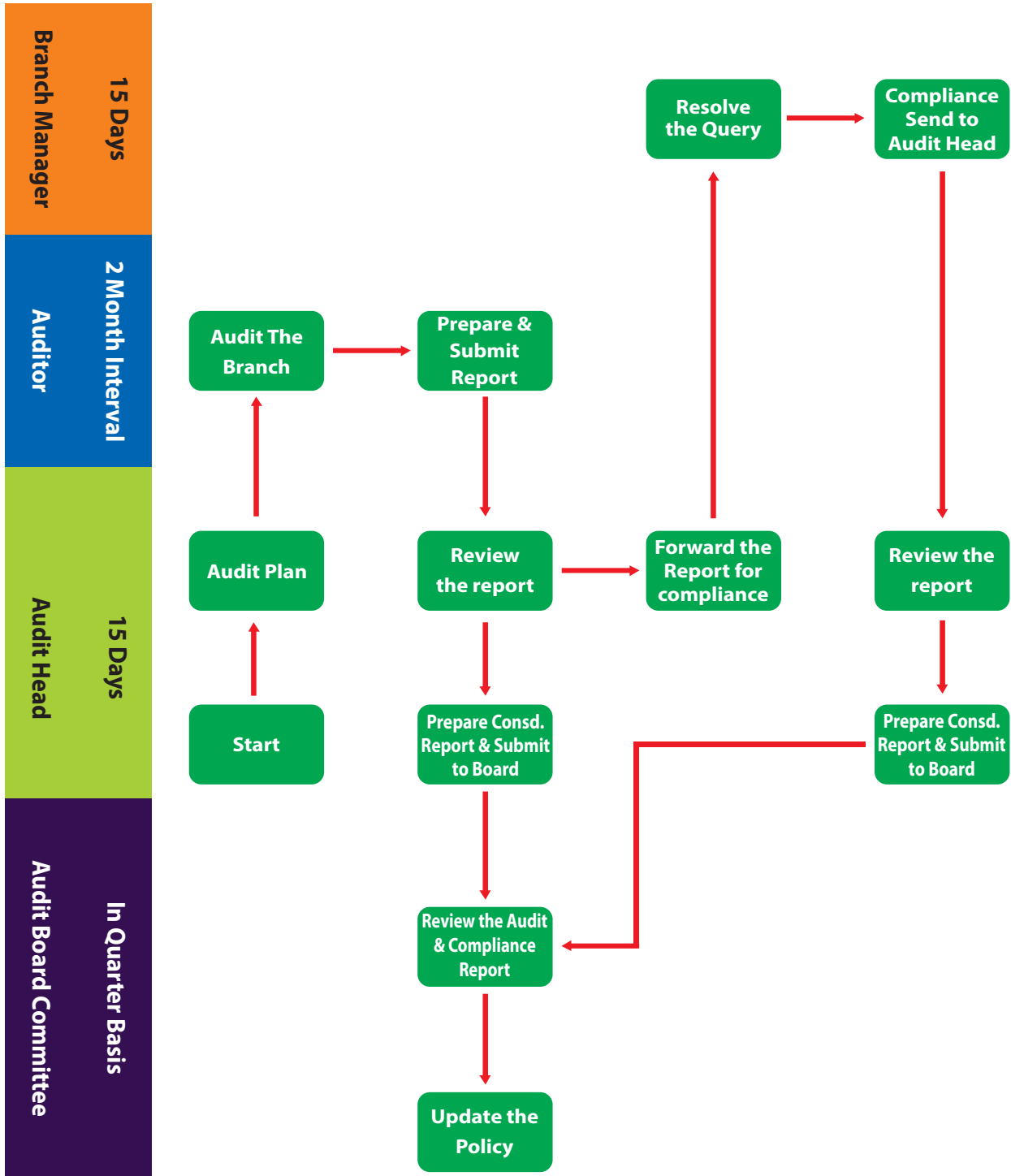
Collection Process

PROCESS	MANAGE BY
Demand Sheet and Collection Process Manage	Mobile Apps
Attendance and Meeting Regulation	Regulation Book
Entered Installment Collection	Pass Books
Installment Collection	Cash / UPI / QR Code
Collected Cash Deposited in to Bank Account	View and Maintained by HO





Audit & Risk Management



Risk Management

Risk is an Integral part of the Companies business and sound risk management is critical to the success of the company. As a Financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates. The Company has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The primary objective of implementing ERM framework at Servitium is to ensure:

- Risks faced by Servitium are identified and collated in a central repository, enabling top management to have a comprehensive understanding.
- Risks taken by your management are within Servitium risk appetite and these risks are managed proactively.

The Audit Committee of the Board reviews the risk management policies in relation to various risks and regulatory compliance issues.

Internal Audit and Internal Control

Servitium considers Internal Audit and monitoring section of the hierarchy very important. This can be observed from the way this department has been placed in its "Organogram". Team leader of this department submits report straight to the Chief Operation Officer. The reason for such importance being given to internal control is that an unbiased and untainted report should be sent to the management.

This department presently consists of a 2-member team who make it a point to visit and audit all the 5 branches that Servitium presently operates. Essence of this exercise is

not only to ascertain accounting accuracy of records but to observe the working environment in detail. Insights gathered from such visits give them an indication about possible threats to our operations.

Management Information System & Training

Servitium maintains its MIS through software called "BIJLI" developed by Force ten Technologies Private Limited. The software provides various features such as Web Based Centralized solution, Maker-Checker concept for all modules, Group & Individual Client registration workflow module, Batch processing of group transactions etc. Daily transactions are updated in the MIS and verified. SMPL also prepares a separate MIS for Cash management. It is a desktop-based application. All Branches are computerized and branch level can update the customer details. It is real time updating which helps day end processing is collected in Head Office level to review details the following day. Most of the operations from member creation to loan application, sanction, repayment tracking, report generation, etc. can be performed through the software. All types of report can be generated through the software.

Training & Development

1) Human Resource: Servitium believes that human resource is a key strength of an organization. SMPL has laid down satisfactory HR policies in place for its present scale of operations. SMPL has appointed senior



management/officer-in charge who oversees staff recruitment, incentive planning, annual performance appraisal and training of its staff. Professional grooming and leadership development are another two areas that the organization continues to give emphasis. The training and development cell will make sure the availability of a skilled and willing work force to the organization which has many benefits like optimum utilization of human resources, development of human resources, growing productivity team spirit, healthy work environment quality, morale and finally the behavioural improvement of an employee.

During this year, a large number of participants have attended the virtual meeting. During the period FY 2022-23, Servitium has conducted many skill development training & capacity building sessions for new as well as present employees. There have been four types of training module held during the year for the target participants like BM/CO/RM/DMs and supervisors. HRD team moderate the training courses along with the help of experienced of internal & external trainers.

2) Software training: SMPL maintains its MIS through a software called "BIJLI" developed by Force Pen Technologies Private Limited. This is a routine training program for all the field and HO staffs to have familiar with company's online software platform, functions and modalities its usage in safe and secure manner. This is an interactive live session for the target audience to know from the internal or external experts' various software related updates, changes as per the company's physical needs of running the business. The training is very much necessary for applying the MFI Software operation & KYC upload for group members.

Human Resource Management

Servitium nurtures a culture which enables employees to leverage their knowledge and

skills to- work towards achieving the organisation's vision.

Talent Acquisition

Finding and hiring the right talent with right skills in the right job can be tough. At Servitium, we Structure talent delivery solutions based, on our Company's goals and are positioned to fulfil the requirements.

Emphasis was given on taking initiative for on-boarding employees, such as Mentorship Program at regional level & First Day Buddy Program at the Head Office. It provides new employees with a reliable, motivated and single point-of-contact for their questions during the joining time, which has resulted in a healthy retention rate.

Training and Development

To help Servitium fulfil its vision, with the help of efficient and talent professionals, various training programs were organised according to the requirements of the organization. It provides structured learning and a development strategy to deliver, track and manage the training needs of the workforce.

Technology

The advent of technology in every strata of the society has changed the way people work, thus impacting them not on an individual basis but also in the context of enterprises, locally and globally.

With the increase in business volume and number of clients, the role of the technology is to cater to the activity which it entails, so as to make sure the organizational needs are met and addressed efficiently, Growth for any organization comes not only with the number of people involved but also with evolving infrastructure and increase in operational efficiency over time. With this vision, the Company is always on the lookout for

technological up gradations and changes that will improve and strengthen the operational processes.

The Company's initiatives are focused to serve our clients effectively and efficiently, by assessing credit worthiness, improving overall operational performance and reporting to all stakeholders. The Company aims at digitising all its processes and activities for serving its clients better over time.

Recruitment

Newspaper insertions, references are the main sources of inviting applications for vacant positions. The most sought and periodically required is that of a Credit Officer. In terms of HR policy of the organizations, a credit officer's position is at the bottom of the operational hierarchy. Every Branch Manager is assisted by a team of 3-4 Credit Officers. We are now discussing Human Resource issues of Servitium. Based on Responses received to its newspaper insertions, preliminary scrutiny of all applications is done. Short selected applicants are advised to appear for a personal interview with the committee specifically formed for conducting this process. Successful candidates are advised about their selection for PSO Training by telephone. Basic criterion for such selection is:

1. Minimum academic qualification preferred is a Higher Secondary.
2. Candidate should belong to the age Group of 20-32 years for the position of CO.
3. An applicant should be willing to repatriate to other branches of Servitium as and when required.
4. S/he should be conversant with basic arithmetic calculations.
5. S/he should know how to ride a Motor Vehicle.
6. S/he should be capable of putting up the required Security Money.

Staff Training

Training and development is a vital part of the Human Resource Development. It has been a continuous endeavour of HR that employee on-boarded upgrades its knowledge and walks at pace with the changing product and market. The new recruits received induction training in which they were briefed about the company's vision, Mission and work culture, SHG formation, RBI guidelines, fair Practice code, Code of Conduct, on forming a quality group, soft skills are developments to all the employees. Class room training where in audio-visual methodology, comprehensive case booklets, role plays, etc are used, along with innovative training modules to improve employee's skills are developed. A training need assessment questionnaire was shared with the employees to know the areas in which training was necessary and based on that various trainings were organised for the staff.

Auditor

Auditor An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error, In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the



financial statements. Pursuant to the requirements, the organization has appointed M/s K.N Jain & Co.(Reg. No. 319119E), to conduct the audit for the F.Y. 2021-22. The organization has received a confirmation from the said auditors that they are not disqualified to act as the auditors & are eligible to hold the office as auditors of the organization.

Life Insurance

We cover Life Insurance for our clients and for their spouses. In the unfortunate event of natural or accidental death of a client or spouse (Guarantor), the insurance amount helps the survivor cover the outstanding loan as well as receive the benefits of a life cover. We have partnered with **SBI LIFE & Pramerica Life Insurance** to offer a Group Term Life (GTL) Insurance policy, with different insurance schemes base on loan type and repayment mode.



Credit Bureau

Servitium Merchants Private Limited happens to be a member of EQUIFAX, CIBIL, HIGHMARK, and EXPERIAN Credit Bureau in the field of sector that collects information of the borrowers from various sources and provides credit information on individual consumer for variety of use.

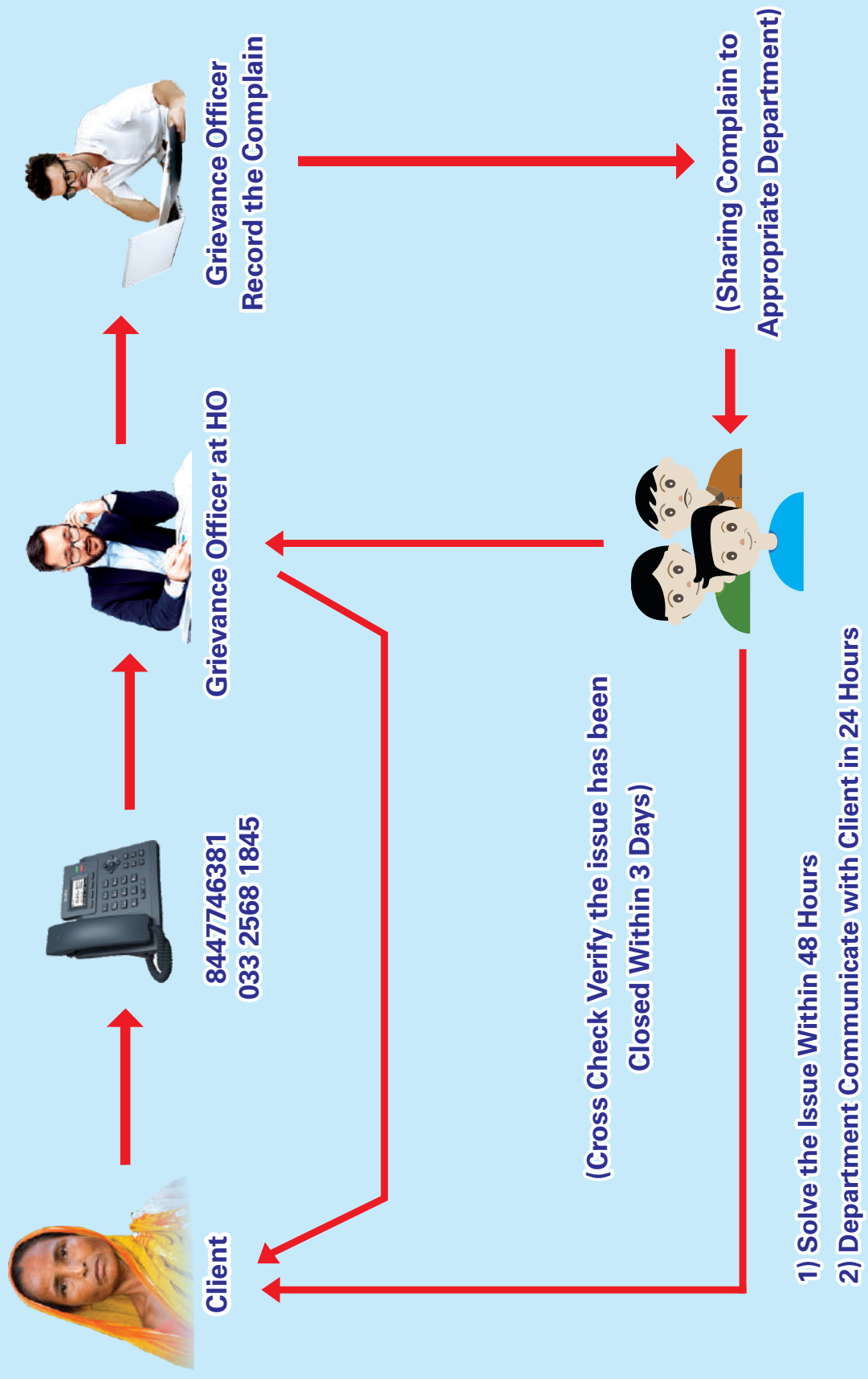


Client Identification

Poorest of the poor population in rural and semi-urban locality is our focus of attention. Poverty is not the only deciding factor for a client. Servitium believes in creating an environment whereby, the untrained and uninitiated get an opportunity to give shape to their dreams. Clients are all aware of the fact that Servitium does not want members to be ever dependent on its credit support. The idea is for the members to ensure that they build up capital on their own during limited period of support, to make their units self-reliant. Some of the important benchmarks settled by Servitium as member eligibility criteria are

- * Member must be a woman
- * 18-58 years of age
- * Family income does not exceed Rs. 125,000/-p.a. in rural areas, Rs. 200,000/-p.a. for non-rural areas.

Grievance Redressal Cell

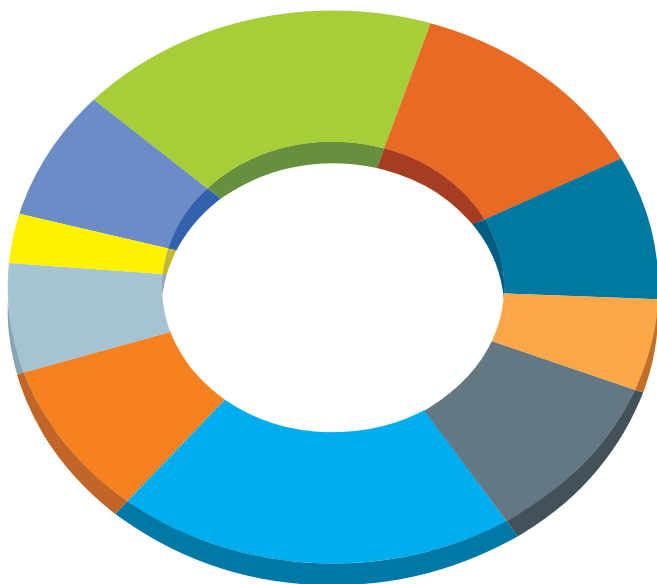




Our Lenders



JACKSON COMMERCIAL PRIVATE LIMITED



- SBI
- FWWB
- ECLEAR
- Jackson
- USHA
- Union Bank of India
- Ramsons Projects
- RAR Fincare
- Cholamandalam

Our Loan Products

SAHAYAK

Purpose :
Income generating loan

Period :
52 Weeks

Loan Amt. :
Rs 10,000 – 20,000

ROI :
27.00%

SUJALA

Purpose :
Income generating loan

Period :
83 Weeks

Loan Amt. :
Rs. 25,000 – 30,000

ROI :
27.00%

SRIJAN

Purpose :
Income generating loan

Period :
104 Weeks

Loan Amt. :
Above Rs 30,000

ROI :
27.00%

SUFALA

Purpose :
Income generating loan

Period :
76 Weeks

Loan Amt. :
Rs 35,000 – 40,000

ROI :
27.00%

NIRMAL DHARA

Purpose :
Sanitation loan

Period :
83 Weeks

Loan Amt. :
Upto Rs. 30,000

ROI :
27.00%



Legal Frame Work

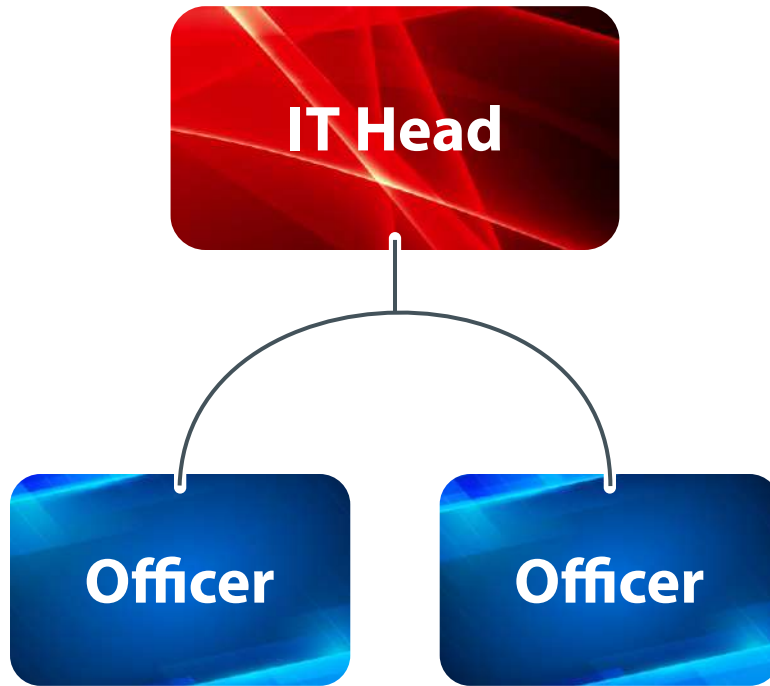


Key Performance (Y2Y)

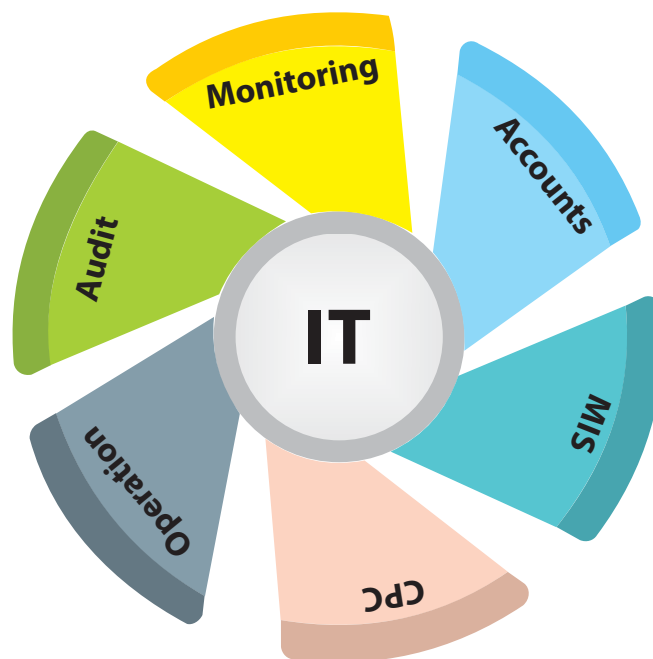
SL. No.	Particulars	31-Mar-22	31-Mar-23	Y2Y
1	No of Active Borrowers	5,929	13,984	8,055
2	No of Active Loans	5,952	13,984	8,032
3	No of Centres/Group	502	1,323	821
4	No of New Borrowers joined during the period/year	3,575	10,143	6,568
5	Borrowers with overdue	202	37	(165)
6	Women Clients % (For NBFC MFI)	100%	100%	-
7	No of States Covered	2	2	-
8	No of Districts Covered	3	5	2
9	No of Branches (End of period)	5	10	5
10	No of Field Staff	10	23	13
11	No of Branch Manager	3	10	7
12	Average Ticket Size (Thousand)	27	34	7
13	Loan Outstanding - Own portfolio (Rs. Crore)	11.68	30.19	19
14	Active Borrowers / Branch	1,186	1,398	212
15	Active Borrowers / Staff	349	350	1
16	Loan outstanding / Branch (Rs. Crore)	2.34	3.09	24%
17	Avg Loan Size (Outstanding)	19,622	22,097	11%



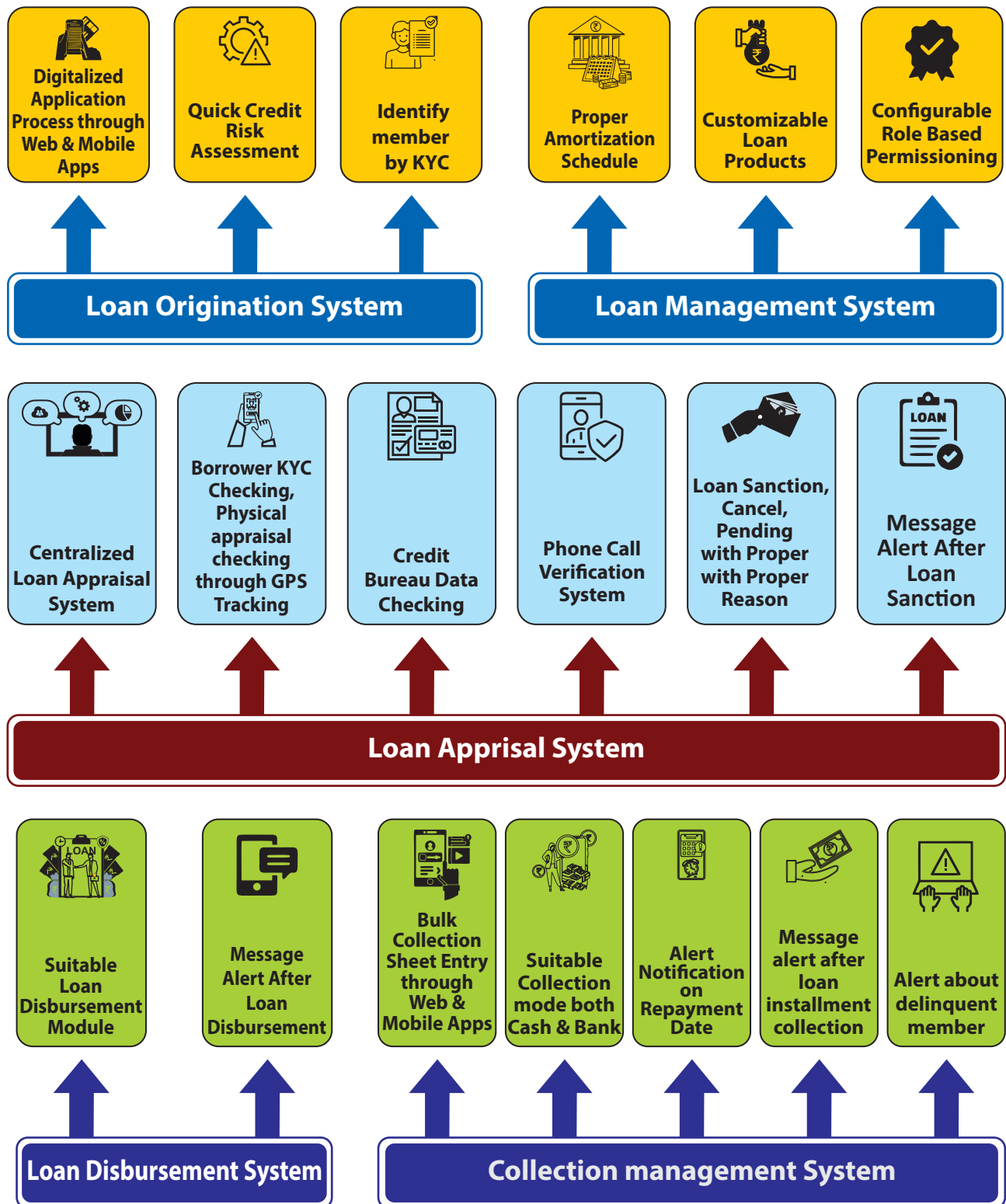
Organogram of IT Department

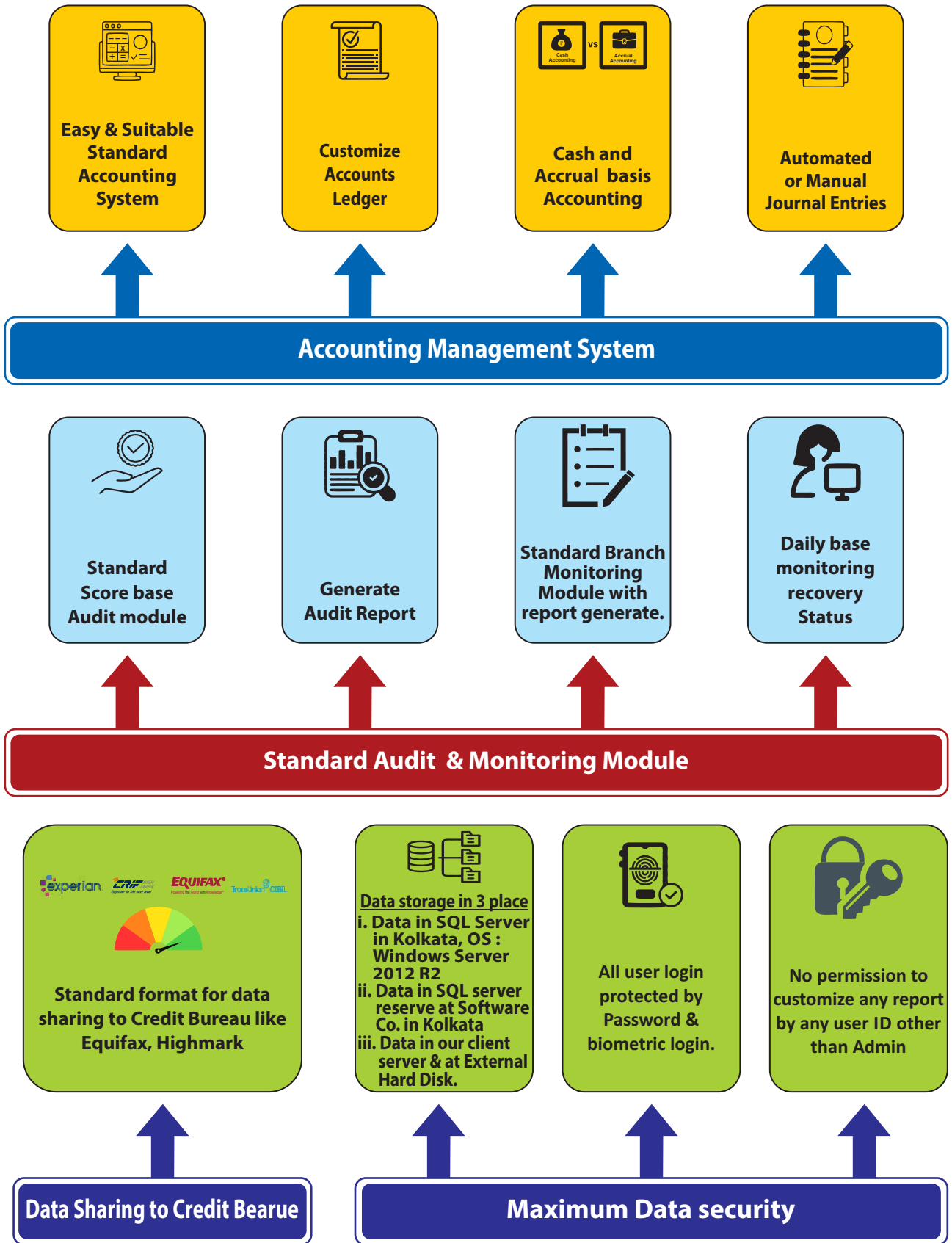


Data Supply to various department








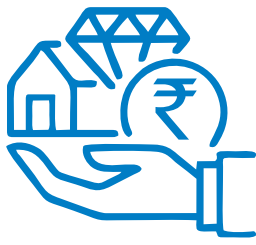

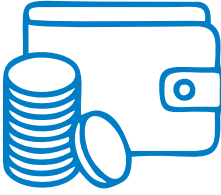


Key Features of our Software





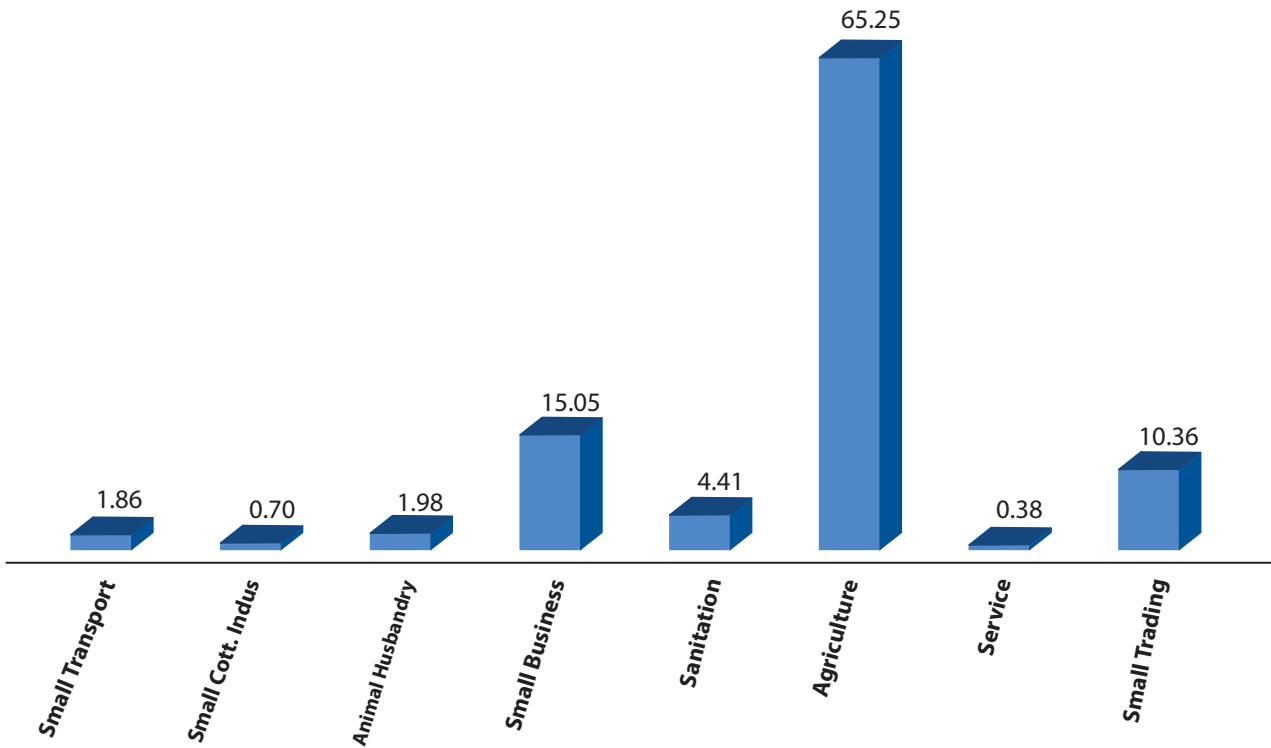
Financial Highlights

Operational Performance

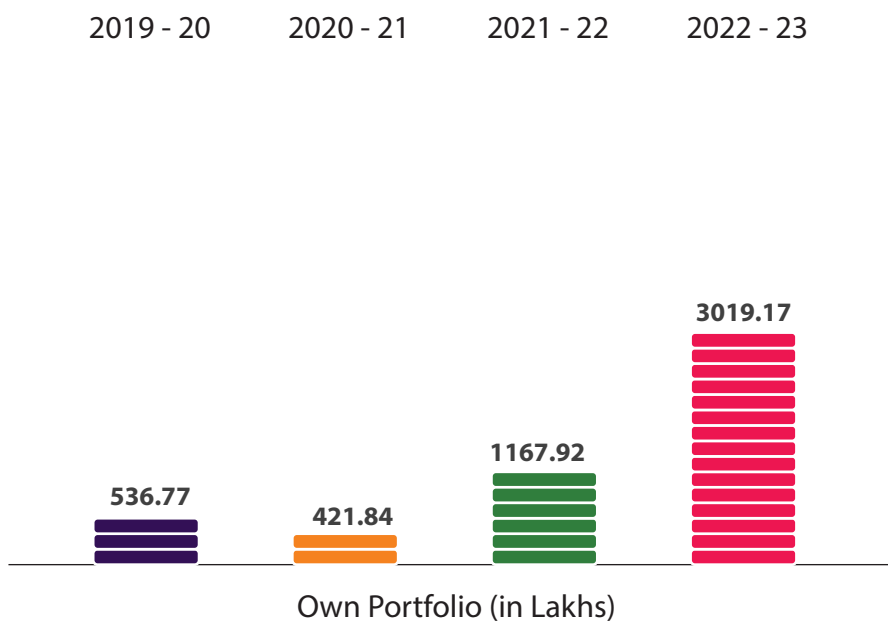
	Total Branches 10		Customer Strength 13984
	Districts 5		Disbursement for FY 2022 4765.80 Lakh
	Own Portfolio 3019.17 Lakh Managed Portfolio 71.30 Lakh		Net worth 1067.54 Lakh
	Capital Adequacy Ratio 35.54%		Net Profit 144.77 Lakh
	Gross NPA 0.09%		Net Profit Ratio 0.27



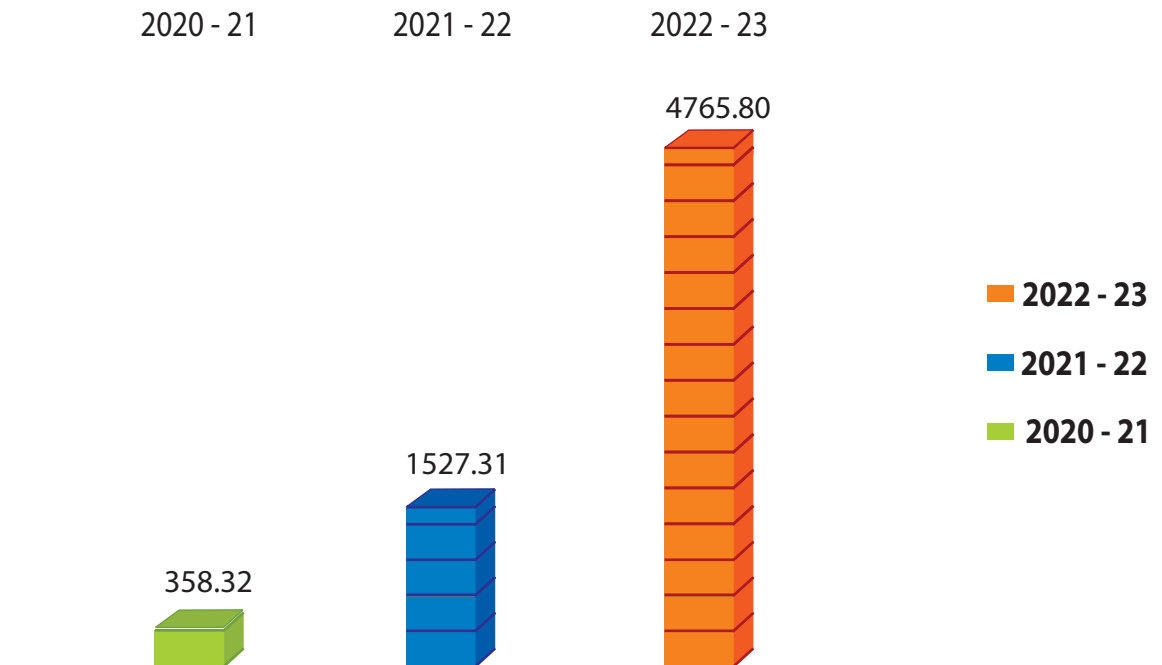
Sector Wise Portfolio %



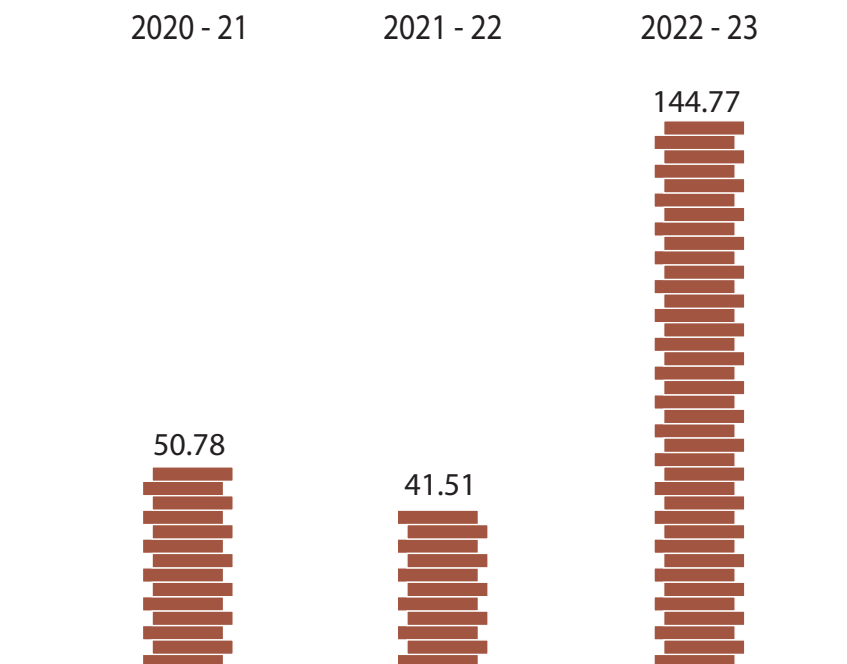
Portfolio in Lakhs



Loan Disbursement (in Lakhs)

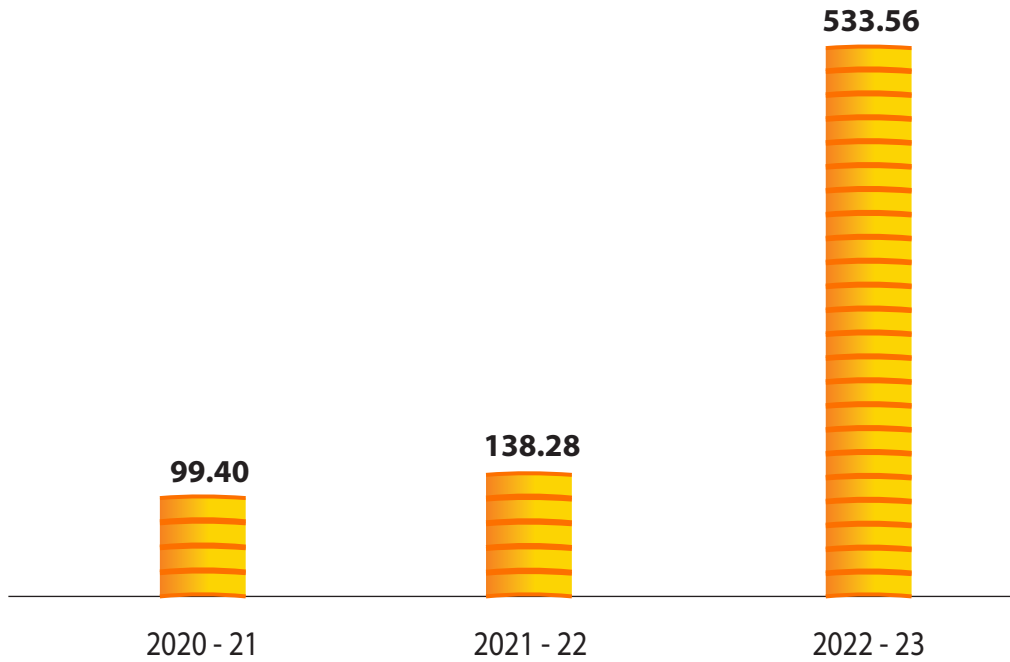


Net Profit (in Lakhs PAT)

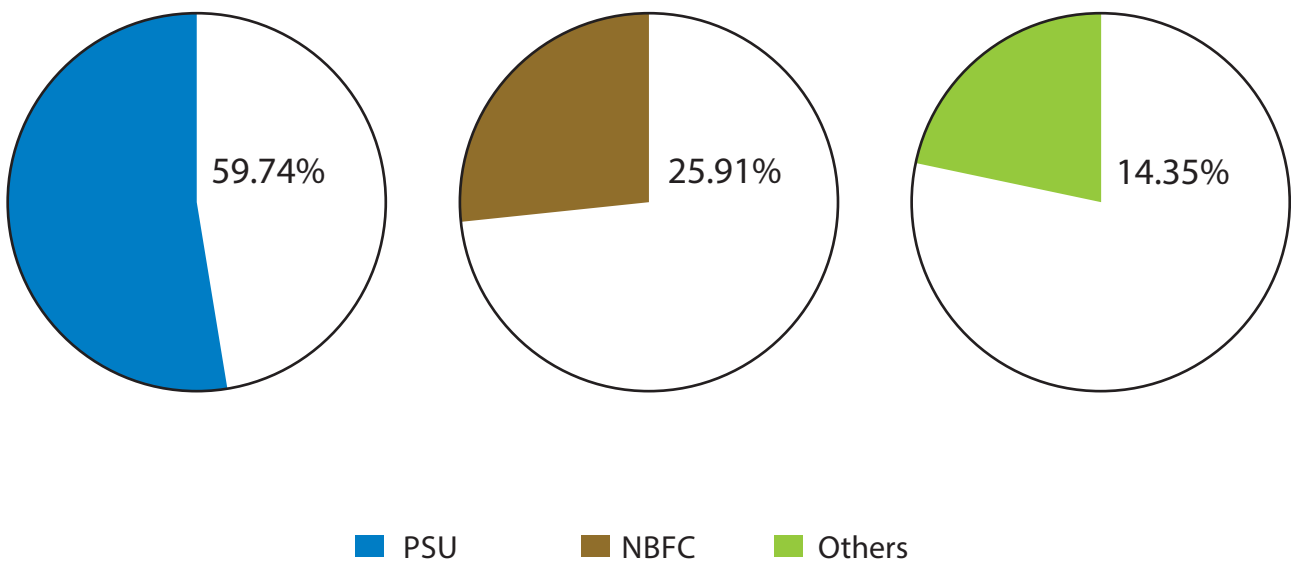




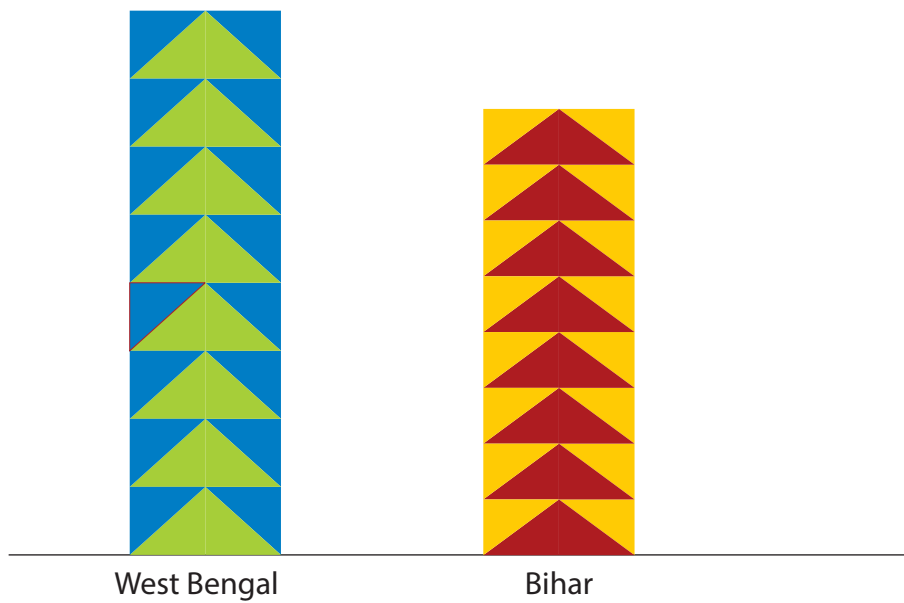
Gross Revenue (in Lakhs)



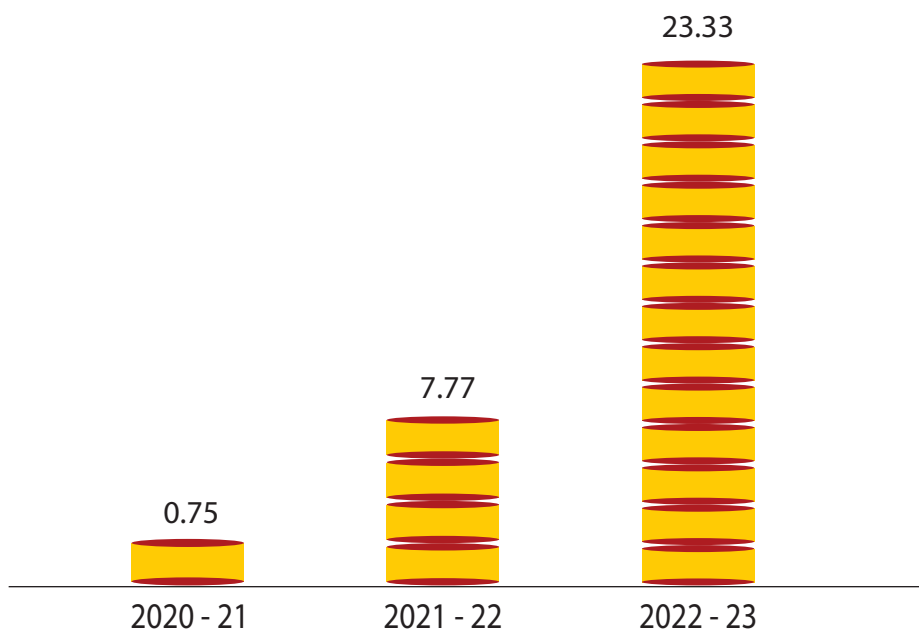
Borrowings %



State Wise Portfolio Outstanding (%)



Lender outstanding amount (Crores)





Success Stories of Borrowers

Little did Salma know that she would end up as a pauper when she was married off to a local youth, Akramul Haque, as a teen-aged daughter of a poor farmer. Everything was fine in the family till the time her husband's income was steady as a tailor. Three children, comprising two sons and a



Salma Khatun
Madhabpur,
North 24 parganas,
West Bengal

daughter were born to the couple. They got them admitted into a local school with a dream of a proper up bringing for them. But financial problems stood in way of their longing for a decent life as her husband's income was unsteady. Daily household expenses coupled with that of their children's proper up bringing started taking its toll on the family. The situation came to such a pass that Salma had to step into supplement their family income by way of joining her husband as a weaver. Determined to keep herself afloat, she took a loan from money lender to purchase a sewing machine and started weaving herself. But she could not effort to repay the

loan that she had borrowed from a money lender after meeting all family expenses. At this critical juncture of her life, Salma got to know about our organization and contacted its local branch. She was immediately granted a loan of Rs. 30000/- which helped her repay the loan to the money lender & expand her business a little as well.

Sandhya Biswas as like as the village woman in Belu, Madhabpur, North

24 Parganas lives with her husband and two little children. She got married at an early age. It was very difficult task for her husband to fulfill daily need of the family properly. Sandhya decided to help her husband. She took 1st loan of Rs. 15000/- and purchase some goat and started working as Milk vendor. Now, she is in list of our regular customers. The Financial help provided by Servitium enabled her to become successful business person. For few last year's Sandhya Biswas has been scaling up gradually her business with the help of loans taken from MFI subsequently. Now her loan is Rs. 25000/-. Now she is living in her well-developed house with proper bathroom. She thanks Servitium for giving financial assistance to her in need.



Sandhya Biswas
Madhabpur,
North 24 Parganas,
West Bengal

One of the fundamental aspects of a healthy and dignified existence is access to sanitation facilities. Sanitation is not only an essential safeguard against diseases and infections; it also provides a structure for privacy, especially for the women in the household. Before taking the sanitation



Jayanti Kumari
Balarampur, Telta,
Katihar, Bihar

loan for constructing toilet from us Smt. Jayanti Kumari and her family had no access to private toilets or latrines. So they defecate in the open areas nearby their house. This makes not only the environment polluted and unhygienic but also affects the public health at large. With women and girls often particularly vulnerable to the consequences of poor sanitation services, this borrower was also facing problems while defecating at open fields.

But now she has taken a sanitation loan of Rs. 25000 and constructed a fully cement structured private toilet. She and her family are using the toilet now without facing any uneasiness and filthiness of open defecation. This loan provided this borrower's family one of the basic need of human life.





Staff Speak



SUVANKAR SARKAR
Asst. Manager-Finance

Joined the organization in 2014 as an Asst. Manager, working across functions till he found his groove in training people.

My journey with Servitium started in 2014 as Assistant Manager MIS. My journey through different responsibilities has been extremely fulfilling and enriching. Servitium has provided the space to put my innovative ideas forward, take up challenging tasks, have a solution – oriented mind – set which in turn lets and employee emerge as winner. Our company has friendly and positive work environment. The management is reachable and has a very keen interest in overall development of an employee. The team here is like family and it is a joy to come to work each day. Jayanta Sir is the best mentor I have ever had in my career. I would like to thank specially Pijush Sir that he took care of each and every employee during this pandemic. “I love my profession and I get to help poor women improve their livelihoods”. I feel myself privileged to be a part of this company.



JESMIN SAHA
HR Officer

I have been working with Servitium since 2022, I am happy to comment that i was given a chance to grow my career goals. i joined as HR Officer and to operations supervisor. This increased my working experience and was able to learn new skills day by day and hope the gained skills will help me achieve my career plans. Here we get an opportunity to face the Challenges focus on our assignments and work together as a team collectively towards achieving the management goals. I am an integral part of the Servitium family and will keep contributing to the organization to reach many milestones. I am a proud member of the Servitium family as I got the opportunity to work under the inspirational leadership of Mr. Subrata Ghosh, our MD and CEO.



SAMPRI TI SARKAR
Officer Finance

“Servitium has a great learning and guiding culture. There are good opportunities to further one's career path and grow one's overall personality. From the way they value each and every employee I can say that for SMPL "Employees are it's greatest strength."



SANDIPAN DEO
Hr Officer

I have been working with Servitium since 2022, I am happy to comment that I was given a chance to grow my career goals. I joined as HR Officer and to operations supervisor. This increased my working experience and was able to learn new skills day by day and hope the gained skills will help me achieve my career plans. Here we get an opportunity to face the Challenges focus on our assignments and work together as a team collectively towards achieving the management goals. I am an integral part of the Servitium family and will keep contributing to the organization to reach many milestones. I am a proud member of the Servitium family as I got the opportunity to work under the inspirational leadership of Mr. Subrata Ghosh, our MD and CEO.



ARNAB BARUA
Loan Hub Officer

Became a family member of Servitium on Sep, 27, 2021 Servitium is a great organization to work. The company associates are honest and have a very transparent system. A very motivating work culture with a great team of employees which gives me a great job satisfaction to work here."





CSR Activities

Servitium is not only engaged with the Micro-Finance works but also engaged in various social works throughout the year.

I Group Leader, Financial Literacy and Social Awareness! Servitium Micro Finance Private Limited organized various trainings among the borrowers throughout the year in various branches. Expert trainers gave them a fair knowledge on how to manage funds through our Financial Literacy programmes & various other Social Awareness like on toilet, environment pure drinking water etc in this financial year. Also, in order to inculcate awareness among the client's programmes on issues like Leadership roles for Women and Girls, Health & Nutrition, Environmental issues have also been conducted.

E Clinic & Health Camp



Telemedicine along with E-Clinic – 24 X 7 Doctor Consultations through both hotline & mobile application. E-Clinic – Small kiosks equipped with a Tablet/laptop for a video consultation with doctor as well as medical equipment for a basic body check-ups with some free medicine. Team of In-house Doctors including specialized doctors (Medicine, Surgery, Gynaecologists, etc) Conducting quarterly health camp for our customers with some free medicine facility.

Capacity Building for Women

Of the estimated 1.3 billion people that live in absolute poverty globally, 70% are women. Women account for just 10% of the world's income and own less than 1% of the world's property. India is no different with just 55% of women literate, compared to 78% of males. Gender equality is important, not only as a human right, but also because women have a key role to play in sustainable development and achieving the Millennium Development Goal's. Sunstruck Trading LLP's own of the important motto is skill development training for women empowerment. They will conduct various type of skill development training like tailoring, handicraft, various awareness training.



Awareness of Sanitation



Our objective is to improve quality of life by providing increased access to safe sanitation integrated with financial inclusion, health care and leading to a better quality of life for all. Our approach to sanitation is unique and sustainable. We follow an integrated approach where initially demand is generated through behaviour change followed by facilitating the access to finance and establishing the required supply chain. For sustainability the involvement of community and individual household is encouraged. In line with the program's objectives to achieve total sanitation, micro credit and financial schemes are targeted to be combined with life and health micro insurance packages to provide incentives to households to channel their existing income for investing in sanitation. Our focus areas are Sanitation, Health & Hygiene, and Sanitation Supply Chain with focus on innovative and sustainable solutions for the communities.





K. N. Jain & Co.
Chartered Accountants

2/7, Sarat Bose Road, "Vasundhara" 2nd Floor
Kolkata - 700 020, Phone: 033 4006-9588, 033 3511 5051
Mobile : +91 9836159000 (11 A.M. to 6 P.M.)
E-mail: info@knjainco.com, Web www.knjainco.com

Independent Auditor's Report

**To the Members of
SERVITIUM MICRO FINANCE PRIVATE LIMITED**

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **SERVITIUM MICRO FINANCE PRIVATE LIMITED, formerly known as Sunflag Merchants Private Limited**

("the Company"), having its registered office at 24/1, Old Calcutta Road, Chowdhury para, Rahara, North Parganas, Kolkata - 700118, which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss and statement of cash flow for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statement").

In our opinion and to the best of our information and according to explanation 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 the accounting principles generally accepted in India including the Accounting Standards prescribed under section 133 of the Act read with relevant rules issued there under, of the state of affairs of the Company as at March 31, 2023, its profit and its cash flows for the year ended on that date

Basis for Opinion

We conducted our audit of the financial statement 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 Auditors Responsibilities for the Audit of the Financial Statement section of our report. We are Independent of the Company in accordance with code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and rules thereunder, and we have fulfilled our other ethical requirements in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statement.

Emphasis of Matter

The Company has written off micro credit portfolio amounting to Rs.9.17 Lakhs which were outstanding more than 365 days as at the reporting date

Information other than the Financial Statements and Auditors Report thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprise the information included in the management discussion and analysis, Board's report including annexure to Board's



Report, Business Responsibility report, Corporate Governance and Shareholder's information, but does not include the financial statement 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our 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.

When we read the full annual Report which is expected to be made available to us after the date of auditor's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Financial Statements

The Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

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 responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from misstatement, due to fraud or error and to issue.





K. N. Jain & Co. Chartered Accountants

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 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 through 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, misrepresentation, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and 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 as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures and whether the Financial Statement represents the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the Financial Statement that, individually or in aggregate, makes it probable those economic decisions of a reasonably knowledgeable user of the financial statement 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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us
 - c) The balance sheet, the statement of profit and loss and 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 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**" to this report.
 - 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, as amended by the Companies (Audit and Auditors) Amendment Rules 2021, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has no pending litigations which would materially impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.





K. N. Jain & Co.
Chartered Accountants

- iv.
- a) No funds have been advanced or loaned or invested by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.
- b) No funds have been received by the company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.
- c) Based on the audit procedures performed, nothing has come to our notice that has caused us to believe that the above representations given by the management contain any material mis-statement.
- v. No dividend is declared or paid by the Company during the year. Therefore, compliance with section 123 of the Companies Act, 2013 is not applicable to the Company.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) rule, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023 and accordingly reporting under rule 11(g) of companies (Audits and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Date: 24th June, 2023
Place : Kolkata

For K. N. JAIN & Co.
Chartered Accountants
Firm Reg. No-319119E

CA Samya Sengupta
Partner

Membership No. 059027
UDIN:23059027BGWOPY8258



SERVITIUM MICRO FINANCE PRIVATE LIMITED

(Formerly Sunflag Merchants Private Limited)

24/1, Old Calcutta Road, Chowdhury para, Rahara, North Parganas, Kolkata - 700118

CIN: U51909WB1995PTC069463 Email Id: servitium.mfi@servitium.in

Balance Sheet as at 31st March, 2023

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
		(in thousand)	(in thousand)
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2.01	60835	50433
(b) Reserves and Surplus	2.02	45918	24776
		106754	75209
2 Share Application money pending allotment			
		-	-
3 Non-Current Liabilities			
(a) Long-Term Borrowings	2.03	95155	38822
(b) Differed tax Liabilities (Net)		-	-
		95155	38822
4 Current Liabilities			
(a) Other Current Liabilities	2.04	146908	39580
(b) Short-Term Provisions	2.05	9223	2891
		156131	42470
		358040	156501.42
B ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	2.06		
(i) Tangible Assets		186	303
(ii) Intangible Assets		48	22
		234	325
(b) Non-Current Investments	2.07	26471	6800
(c) Deferred tax asset (net)	2.21	45	34
(c) Long-Term Loans and Advances			
Long-Term Micro Credit Portfolio	2.10	54508	42021
(d) Other Non-Current Assets	2.08	4000	1000
		85024	49855
2 Current Assets			
(a) Inventories		-	-
(b) Sundry Debtors		-	-
(c) Cash and Cash Equivalents	2.09	15772	24010
(d) Short-Term Loans and Advances			
Short-Term Micro Credit Portfolio	2.10	247410	74772
Other Short Term Loans and Advances	2.11	205	156
(e) Other Current Assets	2.12	9396	7384
		272782	106322
		358040	156501.42
Significant Accounting Policies and Notes to Accounts		1	-

As per our report attached

For K. N. Jain & Co.

Chartered Accountants

Firm's Registration No. 319119E



CA Samya Sengupta
Partner

Membership No-059027

UDIN-23059027BGWOPY8258

Dated: 24th June, 2023

Place : Kolkata



For and on behalf of the Board of Directors

Subrata Ghosh

Rita Ghosh

Subrata Ghosh
DIN: 07209984

Rita Ghosh
DIN: 07974998





SERVITIUM MICRO FINANCE PRIVATE LIMITED

(Formerly Sunflag Merchants Private Limited)

24/1, Old Calcutta Road, Chowdhury para, Rahara, North Parganas, Kolkata - 700118

CIN: U51909WB1995PTC069463 Email Id: servitium.mfi@servitium.in

Statement of Profit and Loss for the Year ended on 31st March, 2023

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
		(in thousand)	(in thousand)
1 Revenue From Operations	2.13	52137	12582
Other Income	2.13	1219	1246
2 Total revenue		53356	13828
3 Employees' Benefit Expenses	2.14	3544	1711
Financial Cost	2.15	20777	3019
Other Expenses	2.16	5455	2128
Depreciation	2.06	141	92
Bad debt Written Off		917	286
Loan loss provision		1851	631
4 Total Expenses		32686	7867
5 Profit /Loss before exceptional and extraordinary items and tax (2 - 4)		20669	5961
6 Exceptional items	2.17	-	106.82
7 Profit / (Loss) before extraordinary items and tax (5 ± 6)		20669	5854
8 Extraordinary items			-
9 Profit / (Loss) before tax (7 ± 8)		20669	5854
10 Tax expense:			
(a) Current Tax Expense		6204	1723
(b) (Less): MAT credit		-	-
		6204	1723
(c) Current tax expense relating to prior years		-	-
(d) Net current tax expense		6204	1723
(e) Deferred Tax		(11)	(20)
		6193	1703
Profit / (Loss) for the year (9 ± 10)		14477	4151
Earnings per Equity Share			
Equity shares of par value ` 10/- each			
Basic	2.20	2.74	0.88
Diluted	2.20	2.19	0.70
Number of shares used in computing earnings per share			
Basic	2.20	5281667	4715882
Diluted	2.20	5281667	4715882
Significant Accounting Policies and Notes to Accounts	1		

As per our report attached

For K. N. Jain & Co.

Chartered Accountants

Firm's Registration No. 319119E

CA Samya Sengupta
Partner

Membership No-059027

UDIN-23059027BGWOPY8258

Dated: 24th June, 2023

Place : Kolkata



For and on behalf of the Board of Directors

Subrata Ghosh

Subrata Ghosh
DIN: 07209984

Rita Ghosh

Rita Ghosh
DIN: 07974998





SERVITIUM

Micro Finance Private Limited

Registered & Correspondence Office :

24/1, Old Calcutta Road, Chowdhury Para, Rahara, Kolkata - 700118

☎ : 033 2568 1845

✉ : servitium.mfi@servitium.in, 🌐 : www.servitium.in