



To
The Members
Annapurna Microfinance Private Limited
Bhubaneswar

Report on the Financial Statements

We have audited the accompanying financial statements of Annapurna Microfinance Private Limited, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information with notes on accounts thereon.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 "the Act". This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branches not visited by us];
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from branches not visited by us];
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For B S Subudhi and Co.
Chartered Accountants
316006E



(B S Subudhi, FCA)
(Sr.Partner)
M.No-052512



Place : Bhubaneswar
Date : 21/05/2014

ANNEXURE 1 TO THE AUDITORS REPORT

- i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of fixed assets by which all the fixed assets are verified in a phased manner over a period of one year. In our opinion the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noted on such verification.
- (c) The company has not disposed any fixed assets during the year and therefore don't affect the going concern assumption.
- ii) (a) The company is a non banking financial company(NBFC) engaged in the business of micro finance activities in providing loans to SHGs. Accordingly, it doesn't hold any physical inventories. Hence paragraph 4(ii) of the order is not applicable.
- iii) (a) The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- iv) In our opinion and according to information & explanations given to us there is adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and with regard to services rendered by the company. The activities of company don't involve purchase of inventory and sales of goods. We have not observed any major weakness in internal control system during the course of our audit.
- v) In our opinion and according to information & explanations given to us there are no contracts and arrangements, the particulars of which need to be entered into the register maintained under section 301 of the Companies Act 1956.
- vi) As explained to us, the company has not accepted deposits from the public.
- vii) In our opinion the Company has an in-house internal audit system commensurate with size and nature of its business.
- viii) The central govt has not prescribed the maintenance of cost records under clause (d) of sub section (1) of section 209 of the Companies Act, 1956 for any of the services rendered by the company.
- ix) (a) According to the information and explanation given to us and on the basis of the examination of the records of the company, it has been generally regular in depositing amount deducted in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income



tax, service tax and other material statutory dues with the appropriate authorities during the year though there have been slight delays in few cases.

- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, VAT, Service Tax were in arrears as at 31st March'2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there is no dues of Income Tax, VAT, Service Tax which have not been deposited with the appropriate authority on account of any dispute.
- x) As per our examination of books of accounts of the company, the company does not have any accumulated losses at the end of the financial year. The company has not incurred cash losses in such financial year and in the financial year covered by our audit and the immediately preceding financial year also.
- xi) As per our examination of books of accounts, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion and according to the information and explanations given to us company is not Chit Fund/Nidhi/Mutual Benefit fund/Society .
- xiv) As explained to us, the company is not dealing or trading in shares, securities, debentures and other investments.
- xv) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) As explained to us, Term Loan taken by the company has been applied for the purpose for which they were raised.
- xvii) According to the information and explanation given to us and on an overall examination of the Balance Sheet of the company, we report that funds raised on short-term basis have not been used for long-term investment and vice versa.
- xviii) According to information and explanation given to us company has not made any preferential allotment of share to parties covered in the Register maintained under section 301 of the Act.
- xix) According to information and explanation given to us, during the period covered by our audit, the company has issued 2,40,00,000 0% compulsory convertible debentures of Rs 10.00 each. As the debentures are compulsorily convertible, no security or charges has been created in respect of compulsory convertible debentures issued.



- xx) The company has not received any money by means of public issue;
- xxi) According to the information and explanation given to us, and to the best of our knowledge and belief, no fraud on or by the company has been noticed or reported during the year.

For B S Subudhi and Co.
Chartered Accountants
316006E



(B S Subudhi, FCA)
(Sr.Partner)
M.No-052512

Place : Bhubaneswar
Date : 21/05/2014

ANNAPURNA MICROFINANCE PRIVATE LIMITED

HIG - 97, DHARMA VIHAR, KHANDAGIRI, BHUBANESWAR

SIGNIFICANT ACCOUNTING POLICY

The Company started with a vision in making a play role to self-sustainable and economically empowered rural, tribal and sub urban society. The company wants to provide financial solutions for the segment where banks are not able to serve and provide financial products which are customised for the need of the segment. The Key characteristics of the company are as follows:

1. The Company is engaged in microfinance activities directed towards ultimate benefit of the poor women and deprived (organised in the form of Self Help Groups) for enhancement of their lively hoods in a financially viable manner and provides capacity building support to these groups.
2. The operations of the Company are spread over Orissa and Chhattisgarh only.

Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The financial statements are presented in Indian rupees rounded off to nearest rupee.

Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Inventories

As The Company is an NBFC and as per its nature of business, it does not have any inventories. Henceforth AS 2 is not applicable to the Company.

Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand. Cash equivalents are cash at bank that are readily available for convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Depreciation and amortisation

Depreciation has been provided on the WDV method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.



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Revenue recognition

Interest income

The Company has the policy to recognise the interest income charged to SHGs on accrual basis.

Income from services

Revenues from services such as income from sale of portfolio priced on a time and material basis are recognised when services are rendered and related costs are incurred over the life of the contracts using the maturity of the SHGs interest. Foreseeable losses on such contracts are recognised when probable.

Other income

Interest income on FD is accounted on accrual basis.

Tangible fixed assets and Depreciation

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. Advances Paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under work advance. The cost of Fixed assets acquired but not ready for the intended use before such date are shown under capital work in progress.

Depreciation is provided under WDV method as per the rates of depreciation provided in Schedule XIV of the Companies Act 1956. Depreciation is calculated on a pro-rata basis from the date of assets purchased/sold.

Foreign currency transactions and translations

Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost.

Government grants, subsidies and export incentives

No Government grants, subsidies and export incentives has been sanctioned to nor received by the Company.

Investments

Long-term investments (excluding investment properties), are carried individually at cost. Provision for diminution in the value of long term investment is made only if such a decline other than temporary. Investments that are readily realisable and intended to be held for a period not more than one year are classified as current investment. All other investment are classified as long term investment.

Employee benefits

The Company gives any employee benefits which include provident fund, ESI. Contribution payable to recognised provident fund which is defined contribution scheme, is charged to Profit and Loss account.



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Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

Classification of loan portfolio and provisioning policy

The aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of a) 1% of the outstanding loan portfolio or b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

Change in accounting policy

Company has changed its accounting policy with respect to amortisation of consultancy fees on borrowings over the tenure of the borrowing.

Provision and Contingent Liabilities

The Company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount for the obligation. A disclosure of the contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.



ANNAPURNA MICROFINANCE PRIVATE LIMITED

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BALANCE SHEET AS ON 31ST MARCH 2014

Particulars		Note No.	As at Mar, 2014 Amount (in Rs)	As at Mar, 2013 Amount (in Rs)
A	EQUITY AND LIABILITIES			
1	Share Holders' Funds			
	(a) Share Capital	1	18,64,47,640.00	12,83,73,460.00
	(b) Reserve and Surplus	2	15,99,47,619.03	5,29,78,341.05
			34,63,95,259.03	18,23,51,801.05
2	Share Application and Pending allotment		0.00	0.00
3	Non Current Liabilities			
	(a) Long Term Borrowings	3	59,15,72,463.27	23,88,03,283.00
			59,15,72,463.27	23,88,03,283.00
4	Current Liabilities			
	(a) Other Current Liabilities	4	124,34,17,939.84	54,59,78,052.00
	(b) Short Term Provisions	5	43,99,603.86	45,04,956.00
			124,78,17,543.70	55,04,83,008.00
	Total		218,57,85,266.00	97,16,38,092.05
B	ASSETS			
1	Non-Current Assets			
	(a) Fixed Assets	6	85,98,632.00	21,24,943.00
	(i) Tangible Assets		0.00	0.00
	(ii) Intangible Assets		0.00	0.00
	(iii) Capital Work in Progress		0.00	0.00
	(iv) Intangible Assets under Development		0.00	0.00
	(v) Fixed Assets held for sale		0.00	0.00
			85,98,632.00	21,24,943.00
	(b) Non-Current Investment	7	31,42,83,228.10	20,14,88,647.00
	(c) Long Term Loans and advances	8	24,06,01,503.00	11,58,51,561.00
	(d) Deferred Tax Assets (Net)		27,00,298.00	14,57,560.00
	(e) Other Non-Current Assets		0.00	0.00
			55,75,85,029.10	31,87,97,768.00
2	Current Assets			
	(a) Cash and Cash equivalents	9	83,03,89,433.89	20,31,25,935.05
	(b) Short Term Loans and Advances	10	73,61,82,688.28	42,87,77,188.00
	(c) Other Current Assets	11	5,30,29,482.73	1,88,12,258.00
			161,96,01,604.90	65,07,15,381.05
			218,57,85,266.00	97,16,38,092.05
	TOTAL			
	See accompanying notes forming part of the financial statements			

Subject to our report of even date

For B.S.Subudhi & Co

for and on behalf of board of directors

Chartered Accountants

For Annapurna Microfinance (P) Ltd.

For Annapurna Microfinance (P) Ltd.

Firm Regd. No.:316006E

B.S.Subudhi

Gobinda Chandra Pattanaik

Dibyajyoti Pattanaik

Director

Partner

Managing Director

Director

M.No-052512

Place: Bhubaneswar

Date: 21/05/2014



ANNAPURNA MICROFINANCE PRIVATE LIMITED

HIG – 97, DHARMA VIHAR, KHANDAGIRI, BHUBANESWAR

Statement of Profit and Loss for the period 31st March, 2014

	Particulars	Note No	As at 31 st Mar 2014	As at 31 st Mar 2013
			Amount (in Rs.)	Amount (in Rs.)
A	CONTINUING OPERATION			
1	Revenue from Operations (Gross)	12	19,26,61,640.16	9,01,19,717.00
	Revenue from Operations (Net)		19,26,61,640.16	9,01,19,717.00
2	Other Income	13	6,62,18,843.21	1,53,55,023.00
3	Total Revenue (1+2)		25,88,80,483.37	10,54,74,740.00
4	Expenses			
	(a) Employee Benefit expense	14	3,73,09,186.00	1,62,66,409.00
	(b) Finance Cost	15	12,92,32,408.53	4,57,37,506.00
	(c) Depreciation and amortisation expense		14,91,289.00	4,72,274.00
	(d) Other expenses	16	2,87,21,339.00	1,58,95,277.00
	Total Expenses		19,67,54,221.53	7,83,71,466.00
5	Profit/(Loss) before exceptional and extraordinary item and tax		6,21,26,261.84	2,71,03,274.00
6	Profit / (Loss) before extraordinary items and tax (5 ± 6)		6,21,26,261.84	2,71,03,274.00
7	Profit / (Loss) before tax (7 ± 8)		6,21,26,261.84	2,71,03,274.00
	Tax expense:			
8	(a) Current tax expense for current year	17	2,13,79,912.86	1,06,95,956.00
	(b) Deferred Tax Asset	18	12,42,738.00	14,57,560.00
9	Profit / (Loss) from continuing operations (9 ± 10)		4,19,89,086.98	1,78,64,878.00
10	Profit / (Loss) for the year		4,19,89,086.98	1,78,64,878.00
12.i	Earnings per share (of Rs.10/- each):	19		
	(a) Basic			
	(i) Continuing operations		3.02	1.95
	(ii) Total operations		3.02	1.95
	(b) Diluted			
	(i) Continuing operations		1.91	1.61
	(ii) Total operations		1.91	1.61
	See accompanying notes forming part of the financial statements			

Subject to our report of even date.

For B.S.Subudhi & Co

for and on behalf of board of directors

Chartered Accountants

Firm Regd. No:316006 For Annapurna Microfinance (P) Ltd.

For Annapurna Microfinance (P) Ltd.

B.S.Subudhi
Partner

M.No-052512

Place: Bhubaneswar

Date: 21/05/2014

Gobinda Chandra Pattanaik
Managing Director

Dibyajyoti Pattanaik
Director

Director



ANNAPURNA MICROFINANCE PRIVATE LIMITED

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CASH FLOW STATEMENT

Cash Flow Statement for the year ended 31st March 2014

Particulars	For the year ended 31 st March 2014		For the year ended 31 st March 2013	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		6,21,26,261.84		2,71,03,274.00
<u>Adjustments for:</u>				
Depreciation	14,91,289.00		4,72,274.00	
Loan Loss Provision	43,78,437.00		45,24,290.00	
Interest on Term Loans	11,52,30,479.26	12,11,00,205.26	3,76,00,954.00	4,25,97,518.00
		18,32,26,467.10		69,700,792.00
Deduct:	-17,47,30,700.16	-17,47,30,700.16	-8,04,64,224.00	-8,04,64,224.00
Interest Income from SHGs				
Operating profit / (loss) before working capital changes		84,95,766.94		(1,07,63,432.00)
<u>Changes in working capital:</u>				
Adjustments for (increase) / decrease in operating assets:				
Other current assets	1,43,24,140.73		-2,98,51,468.00	
Disbursement to SHGs	1,79,21,64,000.00		-1,05,23,44,000.00	
Collection of Principal from SHGs	536,382,912.84		21,04,21,035.00	
Proceeds from Securitisation transactions (Principal only)	81,79,37,409.00		38,94,93,813.00	
Collection of EMI of Securitisation transaction	47,19,09,137.16		15,97,26,473.00	
Payment of collected EMI of Securitisation transaction	-47,19,09,137.16		-15,97,26,473.00	
Interest received from SHGs	154,837,616.16		6,64,69,906.00	
Investment in FDs	-1,046,558,517.00		-167,339,501.00	
Proceed from FD maturity	933,763,935.90			
Adjustments for increase / (decrease) in operating liabilities:				
Other current liabilities	3,30,71,360.84	-37,57,43,624.27	3,16,31,204.00	-55,74,18,430.00
Prepaid expenses	13,09,796.72	-36,72,47,857.33	-58,99,419.00	-55,74,18,430.00
Cash flow from extraordinary items		0.00		0.00
Cash generated from operations		-36,72,47,857.33		-55,74,18,430.00
Net income tax (paid) / refunds		-24,282,842.84		-15,423,575.00
Net cash flow from / (used in) operating activities (A)		-39,15,30,700.17		-57,28,42,005.00
B. Cash flow from investing activities				
Purchase of Fixed Assets				
Purchase of long-term investments	-79,64,978.00		-25,97,217.00	
- Subsidiaries				
- Associates				
- Joint ventures				
- Business units				



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- Others				
Proceeds from sale of long-term investments				
- Subsidiaries				
- Associates				
- Joint ventures				
- Business units				
- Others				
Proceeds from sale of Fixed Assets				
Interest received				
- Subsidiaries				
- Associates				
- Joint ventures				
- Business units				
- Others				
Net cash flow from / (used in) investing activities (B)		-79,64,978.00		-25,97,217.00
		-79,64,978.00		-25,97,217.00
C. Cash flow from financing activities				
Proceeds from issue of equity shares including share premium	6,00,00,062.00		10,25,67,310.00	
Share application money received / (refunded)				
Proceeds from long-term borrowings	1,39,40,00,000.00		74,29,76,973.00	
Proceeds from CCD	24,00,00,000.00		6,50,00,000.00	
Proceeds from NCD	10,00,00,000.00		0.00	
Repayment of long-term borrowings	-65,51,91,462.73		-160,119,828.00	
Interest paid on term loans	-11,18,93,642.26		-34,916,483.00	
Dividends paid including DDT	-1,55,780.00			
Net cash flow from / (used in) financing activities (C)		1,02,67,59,177.01		715,507,972.00
		1,02,67,59,177.01		715,507,972.00
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		62,72,63,498.84		165,346,902.00
Cash and cash equivalents at the beginning of the year		20,31,25,935.05		3,77,79,033.05
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		0.00		0.00
Cash and cash equivalents at the end of the year		83,03,89,433.89		20,31,25,935.05
Cash and cash equivalents as per Balance Sheet (Refer Note 19)		83,03,89,433.89		20,31,25,935.05
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)		0.00		0.00
Add: Current Investments		0.00		



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considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note (ii) to Note 16 Current Investments)				0.00
Cash and cash equivalents at the end of the year *		83,03,89,433.89		20,31,25,935.05

See accompanying notes forming part of the financial statements

Subject to our report of even date

For B.S.Subudhi & Co
Chartered Accountants
Firm Regd. No.: 316006E

for and on behalf of board of directors
M/s Annapurna Microfinance Private Limited

For Annapurna Microfinance (P) Ltd.

for Annapurna Microfinance (P) Ltd.

B.S.Subudhi
Partner
M.No-052512
Place: Bhubaneswar
Date: 21/05/2014



Gobinda Chandra Pattanaik
Managing Director

Gobinda Chandra Pattanaik
Managing Director

Dibyajyoti Pattanaik
Director

Director

ANNAPURNA MICROFINANCE PRIVATE LIMITED

HIG - 97, DHARMA VIHAR, KHANDAGIRI, BHUBANESWAR

Notes forming part of the financial statements

Note 1 Share capital

Particulars	As at 31 st March 2104		As at 31 st March 2013	
	No of Shares	Amount	No of Shares	Amount
(a) Authorised				
Equity shares of Rs 10 each with voting rights	3,30,00,000	33,00,00,000.00	1,60,00,000	16,00,00,000.00
Preference Shares of Rs 10 each	20,00,000	2,00,00,000.00	20,00,000	2,00,00,000.00
Total Authorised Capital	3,50,00,000	35,00,00,000.00	1,80,00,000	18,00,00,000.00
(b) Issued #				
Equity shares of Rs 10 each with voting rights	1,66,44,764	16,64,47,640.00	1,09,37,346	10,93,73,460.00
Preference Shares of Rs 10 each	20,00,000	2,00,00,000.00	20,00,000	2,00,00,000.00
	1,86,44,764	18,64,47,640.00	1,29,37,346	12,93,73,460.00
(c) Subscribed and fully paid up				
Equity shares of Rs 10 each with voting rights	1,66,44,764	16,64,47,640.00	1,09,37,346	10,93,73,460.00
Preference Shares of Rs 10 each	20,00,000	2,00,00,000.00	20,00,000	2,00,00,000.00
	1,86,44,764	18,64,47,640.00	1,29,37,346	12,93,73,460.00
(d) Subscribed but not fully paid up				
	-	-	-	-
TOTAL	1,86,44,764	18,64,47,640.00	1,29,37,346	12,93,73,460.00

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh Issue	Bonus	ES OP	Conversion	Buy Back	Other Changes	Closing Balance
Equity shares with voting rights								
Year ended 31 March, 2014								
- Number of shares	1,09,37,346	57,07,418	0	0	0	0	0	1,66,44,764
- Amount (₹)	10,93,73,460.00	5,70,74,180.00	0	0	0	0	0	16,64,47,640.00
Year ended 31 March, 2013								
- Number of shares	58,02,200	53,35,146	0	0	0	0	0	1,09,37,346
- Amount (₹)	5,60,22,000.00	5,33,51,460.00	0	0	0	0	0	10,93,73,460.00
Optionally convertible preference shares								



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Year ended 31 March, 2014								
- Number of shares	20,00,000	0	0	0	0	0	0	20,00,000
- Amount (₹)	2,00,00,000.00	0.00	0	0	0	0	0	2,00,00,000.00
Year ended 31 March, 2013								
- Number of shares	0	20,00,000	0	0	0	0	0	20,00,000
- Amount (₹)	0	2,00,00,000.00	0	0	0	0	0	2,00,00,000.00

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Gobinda Chandra Pattanaik	62,92,731	37.80	62,92,731	57.53
Dibyajyoti Pattanaik	66,200	0.40	66,200	0.61
RIF East 2	73,50,099	44.16	35,78,415	32.72
SIDBI	10,00,000	6.01	10,00,000	9.14
BIO	19,35,734	11.63		
TOTAL	1,66,44,764	100.00	1,09,37,346	100.00
Equity shares with differential voting rights	N.A.			

(iv) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Note 2 Reserves and surplus

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (in Rs)	Amount (in Rs)
(i) Special reserves (Statutory)		
Opening balance	51,81,295.00	16,08,318.00
Add: Additions / transfers during the year	83,97,817.00	35,72,976.00
Less: Utilisations / transfers during the year	-	-
Closing balance	1,35,79,112.00	51,81,295.00
(ii) Share Premium A/c		
Opening balance	2,92,15,850.00	-
Add: Additions / transfers during the year	6,79,25,882.00	2,92,15,850.00
Less: Utilisations / transfers during the year	-	-
Closing balance	9,71,41,732.00	2,92,15,850.00
(iii) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	1,85,81,197.05	48,02,373.05
Add: Profit / (Loss) for the Period	4,19,89,086.98	1,77,39,442.00
Corporate Social Responsibility	8,39,782.00	3,57,298.00
Proposed Pref. Dividend	18,00,000.00	1,33,151.00
Dividend Distribution Tax On Prop. Dividend	3,05,910.00	22,629.00
Special Statutory reserves (give details)	83,97,817.00	35,72,976.00
Closing balance	4,92,26,775.03	1,85,81,197.05
TOTAL	15,99,47,619.03	5,29,78,341.05



ANNAPURNA MICROFINANCE PRIVATE LIMITED

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Note 3 Long-term borrowings

Particulars	As at 31 March 2014 Amount (in Rs)	As at 31 March 2013 Amount (in Rs)
Term loans		
From banks		
Secured		
Development Credit Bank Ltd	1,11,11,123.00	1,66,66,675.00
IDBI Bank Ltd	2,45,83,342.00	29,16,662.00
Uco Bank	7,10,61,267.00	3,47,22,222.00
ICICI Bank (Car Loan)	4,28,198.00	5,75,086.00
Indian Overseas Bank	10,00,00,000.00	2,60,70,444.00
Ratnakar Bank	9,88,09,530.00	6,25,00,000.00
Canara Bank	5,70,53,312.00	
Oriental Bank of Commerce	2,93,33,029.00	
Total from Banks	39,23,79,801.00	14,34,51,089.00
From other parties		
Secured		
IFMR Capital Finance Pvt. Ltd.	4,37,64,116.00	1,75,22,027.00
Maanaveeya Development and Finance Pvt. Ltd.	4,58,33,000.00	2,50,02,000.00
MAS Financials Private Limited	8,71,87,503.00	5,28,28,167.00
Reliance Capital Pvt. Ltd.	2,24,08,043.27	
Total From other Parties	19,91,92,662.27	9,53,52,194.00
TOTAL	59,15,72,463.27	23,88,03,283.00

Note 4 Other current liabilities

Particulars	As at 31 March 2014 Amount (in Rs)	As at 31 March 2013 Amount (in Rs)
(1) Current maturities of long-term debt (Refer Note (i) below)	106,55,20,371.00	50,44,81,014.00
(2) Income received in advance (Unearned revenue)	6,00,62,998.84	2,75,72,711.00
(3) Statutory Remittance		
(i) TDS Payable	14,89,361.00	10,10,330.00
(ii) PF Payable	2,31,551.00	1,39,857.00
(iii) Professional Tax Payable	4,500.00	
(iv) ESI Payable	84,224.00	
(4) Contractually reimbursable expenses - Insurance Premium Collection a/c	51,60,468.00	19,50,345.00
(5) Expenditure Payable-Audit Fees Payable	4,60,620.00	2,58,878.00
(6) People's Forum	0.00	51,30,084.00
(7) Consultancy Fees Payable	0.00	27,000.00
(8) Salary Payable	18,89,984.00	14,03,937.00
(9) Office/Branch Expenses Payable	1,16,709.00	45,378.00
(10) Rent Payable	4,44,267.00	2,38,600.00
(11) Other Expenses Payable	28,717.00	21,905.00
(12) Interest Accrued on CCD	0.00	26,84,471.00
(13) CSR Fund	11,97,080.00	3,57,298.00
(14) Other Liability	0.00	5,00,464.00
(15) Proposed Preference Dividend Payable	18,00,000.00	1,33,151.00
(16) Proposed Dividend Distribution Tax Payable	3,05,910.00	22,629.00
(17) Travelling Allowance Payable	13,12,009.00	
(18) Interest on Term Loan Payable	33,29,170.00	
(19) NCD Application Money	10,00,00,000.00	
TOTAL	124,34,17,939.84	54,59,78,052.00



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Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (in Rs)	Amount (in Rs)
(a) Bonds/Debentures		
Unsecured Debentures (Compulsorily Convertible)	24,00,00,000.00	6,50,00,000.00
(b) Term loans		
(i) From banks		
Secured		
DCB Bank Ltd	7,16,66,670.00	6,16,66,666.00
IDBI Bank	2,00,00,000.00	66,66,672.00
Uco Bank	3,69,31,821.00	1,59,02,679.00
ICICI Bank (Car Loan)	1,46,887.00	3,85,017.00
IOB	6,97,33,165.00	3,33,60,000.00
Ratnakar Bank Ltd.	12,61,90,470.00	3,75,00,000.00
Canara Bank	3,52,03,295.00	
Oriental Bank of Commerce	1,46,66,667.00	
(v) From other parties	1	
Secured		
IFMR Capital Finance Pvt. Ltd.	11,40,80,413.00	6,44,36,527.00
Maanveeya Development & Investment Pvt Ltd	2,91,69,000.00	3,26,68,000.00
Ananya Finance for Inclusive Growth Pvt Ltd	0.00	88,39,897.00
MAS Financials Private Limited	18,83,33,335.00	17,60,55,556.00
Small Industries Development Bank of India	1,88,00,000.00	
Reliance Capital Pvt. Ltd.	10,05,98,648.00	
TOTAL	106,55,20,371.00	50,44,81,014.00

Note 5 Short-term provisions

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (in Rs)	Amount (in Rs)
Provision - Others:		
(i) Provision for tax (Net off Advance Tax)	43,99,603.86	45,04,956.00
	1	
	43,99,603.86	45,04,956.00
TOTAL		



Annappurna Microfinance Private Limited
Notes forming part of the financial statements

Note 6 Fixed assets

A.	Tangible assets	Gross block			Accumulated depreciation and impairment			Net block	
		Balance as at 1 April, 2013	Additions	Other adjustments	Balance as at 31 March, 2014	Balance as at 1 April, 2013	Depreciation / amortisation expense for the year	Balance as at 31 March, 2014	Balance as at 31 March, 2013
		Amount (in Rs.)	Amount (in Rs.)	Amount (in Rs.)	Amount (in Rs.)	Amount (in Rs.)	Amount (in Rs.)	Amount (in Rs.)	Amount (in Rs.)
	(a) Computers Owned	9,07,150.00	24,27,000.00		33,34,150.00	1,70,228.00	7,86,230.00	23,76,332.00	7,38,962.00
	(b) Furniture and Fixtures Owned	1,92,462.00	31,38,079.00		33,20,541.00	42,043.00	2,79,130.00	29,98,458.00	1,89,519.00
	(c) Vehicles Owned	14,71,000.00			14,71,000.00	2,55,854.00	5,13,735.00	9,01,570.00	12,15,366.00
	(d) Office equipment Owned	35,565.00	23,88,299.00		24,35,864.00	2,469.00	1,12,423.00	23,20,262.00	33,096.00
	Total	20,97,217.00	79,54,978.00		1,05,62,185.00	4,72,274.00	14,91,228.00	86,98,632.00	21,24,943.00
	Previous year		25,97,217.00		25,97,217.00		4,72,274.00		21,24,943.00



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Note 7 Non-current investments

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (in Rs)	Amount (in Rs)
Fixed Deposits (Non-Pledged) (Unquoted Investments)		
Development Credit Bank FD	11,43,536.00	3,70,00,000.00
CanaraRobeco Mutual Fund	12,00,000.00	
Fixed Deposits (Pledged for term loan) (Unquoted Investments)		
Development Credit Bank FD	1,70,00,000.00	2,32,02,502.00
Indian Overseas Bank FD	3,50,00,000.00	2,00,00,000.00
Uco Bank FD	1,25,00,000.00	60,00,000.00
IDBI FD	50,00,000.00	2,07,72,160.00
IFMR FD	1,46,28,856.10	2,97,39,088.00
MAS FD	6,27,25,000.00	4,05,00,000.00
Ratnakar Bank FD	1,45,30,000.00	2,52,74,897.00
Canara Bank FD	1,00,00,000.00	
ICICI Bank Fd	1,50,00,000.00	
Oriental Bank of Commerce	66,00,000.00	
Fixed Deposits (Pledged for Securitisation) (Unquoted Investments)		
Ratnakar bank Ltd. FDs	8,42,14,624.00	
IDBI Bank FDs	2,90,38,710.00	
DCB Bank FDs	57,02,502.00	
TOTAL	31,42,83,228.10	20,14,88,647.00

Note 8 Long-term loans and advances

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (in Rs)	Amount (in Rs)
(i) Other loans and advances (SHG Loans) (to be matured after 1 yrs)		
Unsecured, considered good	24,13,76,600.00	11,54,65,856.00
Sub-standard	48,948.00	-
Doubtful	16,06,273.00	15,55,923.00
	24,30,31,821.00	11,70,21,779.00
Less: Provision for other doubtful loans and advances	24,30,318.00	11,70,218.00
TOTAL	24,06,01,503.00	11,58,51,561.00



ANNAPURNA MICROFINANCE PRIVATE LIMITED

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Note 9 Cash and cash equivalents

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (In Rs)	Amount (In Rs)
(a) Cash on hand	9,65,81,161.94	6,22,866.93
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) Flexi Fixed Deposit (PNB Basana)	45,25,000.00	78,70,000.00
(ii) In current accounts		
Allahabad Tangi	72,79,553.00	52,55,292.00
Axis Bank	10,75,716.53	7,54,335.44
Bank of India	3,24,039.00	19,43,482.00
Canara Bank	4,80,30,359.00	44,16,966.00
Central Bank of India	10,000.00	10,000.00
DCB (Baragada Branch)	61,17,519.76	29,88,126.00
DCB Kolkotta Current A/c	32,811.93	1,15,321.93
HDFC	40,000.00	40,000.00
ICICI Bank	69,17,594.99	2,70,76,830.88
ICICI Bank Choudwar Branch	3,88,142.09	9,68,161.00
ICICI Bank Jharasuguda Branch	11,41,671.07	19,84,530.45
ICICI Bank (Phulabani)	11,99,471.00	13,99,901.00
ICICI Bolangir Branch	29,16,378.07	31,52,729.00
IDBI Bank	3,71,30,000.15	35,44,824.42
India Over Seas Bank	15,99,91,001.00	3,48,73,317.00
IOB Balugaon Branch	28,06,550.00	11,17,201.00
OBC Bank	6,20,30,105.00	2,23,22,978.00
PNB Basana Branch	2,00,366.00	86,463.00
Punjab National Bank	45,09,998.00	35,08,505.00
Ratnakar Bank	7,09,56,515.55	5,99,17,981.00
SBI Balugaon	2,04,123.00	2,04,123.00
SBI (Khandagiri)	6,24,125.00	4,94,250.00
SBI Main Branch	77,98,844.00	1,22,63,312.00
SBI Sonapur	14,33,249.00	24,02,259.00
UCO Bank	3,73,83,321.00	37,92,579.00
Axis Bank Boudh Branch	44,46,829.84	
Axis Bank Salepore Branch	61,67,138.00	
Bank of Baroda	5,47,755.00	
Canara Bank Soro Branch	47,66,424.00	
DCB Attabira Branch	74,63,367.64	
ICICI Bank Bhadrak Branch	41,712.28	
ICICI Bank Chandikhol Branch	1,57,888.28	
ICICI Bank Dhenkanal Branch	3,04,240.00	
ICICI Bank Jajpur Branch	1,02,236.28	
ICICI Bank Jeypore Branch	10,48,859.00	
ICICI Bank (Kantabani, Bantarpal)	3,84,122.00	
ICICI Bank Khurda Branch	54,51,718.62	
ICICI Bank Nabrangpur Branch	6,16,653.00	
ICICI Bank Nayagarh Branch	1,05,063.48	
ICICI Bank Nayapalli Branch	17,32,83,777.00	
ICICI Bank Panposh Branch	13,21,042.00	
ICICI Bank Raipur Branch	2,24,973.00	
ICICI Bank Rajgangpur Branch	1,81,422.00	
ICICI Bank Sambalpur Branch	15,00,534.00	
ICICI Bank Similiguda Branch	11,39,841.00	
ICICI Bank Talcher Branch	24,52,512.00	
ICICI Bank Umerkote Branch	11,90,910.00	
SBI Pithora Branch	16,70,039.00	
Yes Bank	30,000.00	
Axis Bank Deogarh Branch	23,85,244.97	
Axis Bank Odagaon Branch	46,06,054.00	
Axis Bank Tilagarh Branch	40,90,933.12	
DCB Bank Jharsinga Branch	31,00,000.00	



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ICICI Bank Baloda Bazar Branch	5,40,550.00	
ICICI Bank Bhadrak Branch New A/c	43,59,806.00	
ICICI Bank Champa Branch	21,59,983.00	
ICICI Bank Chandikhole Branch New A/c	74,94,390.00	
ICICI Bank Choudwar Branch New A/c	33,77,889.00	
ICICI Bank Jajpur Branch New A/c	15,81,579.00	
ICICI Bank Mahasamund Branch	15,05,808.00	
ICICI Bank Nayagarh Branch New A/c	4,80,871.00	
IOB Rajim Branch	16,49,362.50	
Oriental Bank of Commerce Basudevpur Branch	43,58,420.00	
PNB Seoni Narayan Branch	24,71,980.00	
Union Bank of India	99,99,890.00	
	83,03,89,433.89	20,31,25,935.05

Note 10 Short-term loans and advances

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (in Rs)	Amount (in Rs)
(a) Prepaid expenses - Unsecured, considered good	17,33,333.00	50,38,493.00
(b) Balances with government authorities		
(i) TDS	23,32,581.00	6,62,487.00
(ii) CENVAT Credit	6,23,513.28	4,08,246.00
(c) Others (SHG Loans) Recoverable within 1 yr*		
Unsecured, considered good	73,88,82,082.00	42,70,48,446.00
	74,35,71,509.28	43,30,47,672.00
Less: Provision for other doubtful loans and advances	73,88,821.00	42,70,484.00
TOTAL	73,61,82,688.28	42,87,77,188.00

Note 11 Other current assets

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (in Rs)	Amount (in Rs)
(A) Accruals		
(i) Interest accrued on investments	1,64,75,494.22	21,43,396.00
(ii) Interest accrued on SHGs	1,98,93,084.00	1,39,94,318.00
(B) Others		
(a) Cash in Transit	0.00	1,47,247.00
(b) Floating Charges	50,000.00	50,000.00
(c) Work Advance	2,67,077.00	1,46,055.00
(d) Salary Advance	1,78,445.00	3,59,101.00
(e) Insurance Compensation Receivable	12,14,757.00	8,25,017.00
(f) House Rent Advance	7,13,600.00	1,13,600.00
(g) Staff Loan	3,28,826.00	60,000.00
(h) Other Advance	20,01,594.00	5,82,024.00
(i) Fees Receivable	44,17,283.00	3,91,500.00
(j) FMO Grant Receivable	5,95,706.51	
(k) Unamortised Expenditure (Professional fees for Managed Portfolio)	60,60,716.00	
(l) House Rent Security	83,2900.00	
TOTAL	5,30,29,482.73	1,88,12,258.00



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Note 12 Revenue from operations

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (in Rs)	Amount (in Rs)
Other operating revenues comprise:		
Interest on Loan to SHGs	15,48,37,616.16	6,64,68,906.00
Processing Fees	1,79,30,940.00	96,55,493.00
Interest accrued on SHGs	1,98,93,084.00	1,39,94,318.00
TOTAL	19,26,61,640.16	9,01,19,717.00

Note 13 Other income

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (in Rs)	Amount (in Rs)
Interest income from fixed Deposit	2,55,29,459.32	45,21,018.00
Income from Sale of Portfolio	3,57,41,134.68	91,30,149.00
Other non-operating income	35,157.00	-
Facilitation Service Fees	49,13,092.00	17,03,856.00
TOTAL	6,62,18,843.21	1,53,55,023.00

Note 14 Employee benefits expense

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (in Rs)	Amount (in Rs)
Salaries and wages	2,61,68,278.00	1,62,48,066.00
Contributions to provident and other funds	11,54,133.00	-
Travelling Allowance to Employees	86,08,913.00	-
Employer Contribution to ESI	6,84,728.00	18,343.00
Contribution to Gratuity	6,13,144.00	-
Staff welfare expenses	79,989.00	-
TOTAL	3,73,09,185.00	1,62,66,409.00

Note 15 Finance costs

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (in Rs)	Amount (in Rs)
(a) Interest expense on:		
(i) Borrowings	11,18,93,642.26	3,49,16,483.00
(ii) Accrued Interest on Borrowings	33,36,837.00	26,84,471.00
(b) Loan upfront and processing fees	1,37,72,878.27	81,36,552.00
(c) Documentation cost	2,29,053.00	-
TOTAL	12,92,32,408.53	4,57,37,506.00



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Note 16 Other expenses

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (in Rs)	Amount (in Rs)
Rent including lease rentals	46,37,623.00	20,65,080.00
Repair and maintenance	2,26,200.00	1,35,892.00
Sitting Fees	60,000.00	1,31,150.00
Vehicle Insurance	23,908.00	2,52,810.00
Communication (Telephone, Internet Charges & Postage Charges)	31,21,337.00	9,11,254.00
Travelling and conveyance	14,86,578.00	6,53,835.00
Printing and stationery	4,80,346.00	1,56,464.00
Subscription fees	2,34,247.00	
Meeting Expenses	9,90,358.00	2,53,080.00
Electricity Expenses	4,32,712.00	2,51,305.00
Advertisement Expenses		1,15,942.00
Bank Charges	2,09,759.00	2,22,321.00
Rating Fee for Group	4,83,244.00	
Rating fee for Company	4,72,239.00	6,89,187.00
Refreshment Expenses		6,38,490.00
Tax and Duties	17,42,886.00	
Consultancy Fees	36,70,045.00	17,78,713.00
Interest on TDS		8,398.00
Interest on Service Tax		427.00
Interest on ESI	47,642.00	
Membership fees	2,62,180.00	
Legal and professional	10,82,003.00	21,55,268.00
Interest on Income Tax		62,357.00
Trustee Fees	6,86,789.00	9,036.00
Training Expenses		5,77,778.00
Cash Lost in Transit	1,31,662.00	
Office Expenses	37,473.00	
Postage & Couriers	11,728.00	
Professional fees	18,06,886.00	
Provision for doubtful trade and other receivables, loans and advances (net)	43,78,437.00	45,24,290.00
Payments to auditors (Refer Note (i) below)	4,50,000.00	2,70,000.00
Miscellaneous Branch Expenses	15,55,057.00	32,400.00
TOTAL	2,87,21,339.00	1,60,85,303.00

Note 16 Other expenses (contd.)

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (in Rs)	Amount (in Rs)
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	3,20,000.00	2,00,000.00
For taxation matters	80,000.00	50,000.00
Certification Fee	50,000.00	20,000.00
TOTAL	4,50,000.00	2,70,000.00



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Note 17 Provision for outstanding Loan Portfolio

Asset Classification	For the year ended 31 st March 2014		For the year ended 31 st March 2013	
	Loan Portfolio	Provision	Loan Portfolio	Provision
Standard Portfolio	98,02,58,682.00	0	54,25,14,302.00	0
Sub Standard Portfolio	48,948.00	24,474.00	0	0
Doubtful Portfolio	16,06,273.00	16,06,273.00	15,55,923.00	15,55,923.00
Loss Portfolio	0.00	0.00	0	0
Total	98,19,13,903.00	16,30,747.00	54,40,70,225.00	15,55,923.00
1% of Total Portfolio	98,19,139.00	98,19,139.00	54,40,70,225.00	54,40,702.00

As 1% of total portfolio is higher than the 50% provisions on substandard and 100% provision on doubtful and loss assets, as per guidelines of Reserve Bank of India, the Company created 1% of provision to its total portfolio.

The Movement in provision during the year is explained below:

Particulars	For the year ended 31 st March 2014				For the year ended 31 st March 2013		
	Standard Portfolio	Sub standard Portfolio	Doubtful Portfolio	Total	Standard Portfolio	Doubtful Portfolio	Total
Opening	38,84,779		15,55,923	54,40,702	9,18,411	0	9,18,411
Additions/Reversal	27,47,690	24,474	16,06,273	43,78,437	29,68,368	15,55,923	45,24,291
Closing	66,32,469	24,474	31,62,196	98,19,139	38,84,779	15,55,923	54,40,702

Note 18 Deferred Tax Net included in Balance sheet

The Deferred tax assets, net as at year end comprises of:

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (in Rs)	Amount (in Rs)
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	- 1,77,846.00	- 50,386.00
Tax effect of items constituting deferred tax liability	- 1,77,846.00	- 50,386.00
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for doubtful debts / advances	14,20,584.00	15,07,946.00
Tax effect of items constituting deferred tax assets	14,20,584.00	15,07,946.00
Net deferred tax (liability) / asset	12,42,738.00	14,57,560.00
Opening Balance c/f	14,57,560.00	0.00
Net Deferred tax(liability)/Assets transferred to B/S	27,00,298.00	14,57,560.00



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Note 19 Earnings per Share

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (in Rs)	Amount (in Rs)
Earnings per share		
<u>Basic</u>		
Continuing operations		
Net profit / (loss) for the year from continuing operations	4,19,89,086.98	1,78,64,878.00
Less: Preference dividend and tax thereon	21,05,910.00	1,55,780.00
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	3,98,83,176.98	1,77,09,098.00
Weighted average number of equity shares	1,31,93,199.00	91,03,560.00
Par value per share	10.00	10.00
Earnings per share from continuing operations - Basic	3.02	1.95
<u>Total operations</u>		
Net profit / (loss) for the year	4,19,89,086.98	1,78,64,878.00
Less: Preference dividend and tax thereon	21,05,910.00	1,55,780.00
Net profit / (loss) for the year attributable to the equity shareholders	3,98,83,176.98	1,77,09,098.00
Weighted average number of equity shares	1,31,93,199.00	91,03,560.00
Par value per share	10.00	10.00
Earnings per share - Basic	3.02	1.95
<u>Diluted</u>		
Net profit / (loss) for the year from continuing operations	4,19,89,086.98	1,78,64,878.00
Less: Preference dividend and tax thereon	21,05,910.00	1,55,780.00
Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	3,98,83,176.98	1,77,09,098.00
Add: Interest expense and exchange fluctuation on convertible bonds (net)	0.00	26,84,471.00
Profit / (loss) attributable to equity shareholders from continuing operations (on dilution)	3,98,83,176.98	2,03,93,569.00
Weighted average number of equity shares for Basic EPS	1,31,93,199.00	91,03,560
Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	78,38,447	35,79,295
Weighted average number of equity shares - for diluted EPS	2,08,31,646	1,26,82,855
Par value per share	10	10
Earnings per share, from continuing operations - Diluted	1.91	1.61

Note 20 Segment Reporting

The Company operates in a single reportable segment i.e. micro lending to poor women, who have similar risk and returns for the purpose of AS - 17 on "Segment Reporting" issued by ICAI. The Company does not have any reportable geographical area.

Note 21 Changes in Accounting Policy

The Company has changed its accounting policy with respect to recognition of Consultancy fees paid for borrowing raising and cost incurred for fund raising in 2012-13. Until 2011-12, the total cost incurred in the year was recognised in that financial year itself as consultancy fees paid. However, starting from the financial year 2012-13, the company has amortised its cost and consultancy fees incurred for borrowing over the tenure of the borrowings.

Had the company continued to follow the earlier accounting policy, expenses of consultancy fees in the statement of Profit and Loss Account would have been higher by Rs.50,38,493.00 and also lower in current assets which may reduce the profit by Rs.50,38,493.00.



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Note 22 Remuneration to Directors

Particulars	31 March 2014	31 March 2013
Managing Director & whole time Director remuneration	28,81,000.00	24,90,000.00
Contribution towards Provident Fund	1,51,200.00	1,08,000.00

Note 23 Employee Benefits

The Company has established a funded gratuity scheme for its employees as at 31st March 2014. Gratuity provision has been made based on the actuarial valuation done as at the year end. The details of actuarial valuation as provided by the independent Actuary are as follows:

Particulars	2013-14
1. Principal Actuarial Assumptions	
Discount Rate	8%
Salary Escalation rate	5%
Attrition rate	1%-3% on age
2. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO) - RECONCILIATION OF OPENING AND CLOSING BALANCES:	
Present value of the Obligation at the beginning period	0.00
Interest cost	14,818.00
Current service cost	2,33,636.00
Past Service cost (Non Vested Benefits)	0.00
Past Service cost (vested Benefits)	3,64,890.00
Benefits paid	6,13,144.00
Actuarial (Gain)/Loss on Obligation	0.00
Present Value of Obligation at the end period	0.00
3. Expenses Recognised in the Profit & Loss A/c	6,13,144.00
4. Movement in the Liabilities recognised in the Balance Sheet	
Opening Net Liability	0.00
Expenses as above	6,13,144.00
Contribution paid	6,13,144.00
Closing Net Liability	0.00

Note 24 Related Party Disclosure

List of Related Party

1. People's Forum

Key Managerial Personnel

- | | |
|------------------------------|-------------------------|
| 1. Gobinda Chandra Pattanaik | Managing Director & CEO |
| 2. Dibyajyoti Pattanaik | Director & CFO |

Related Party Transactions

S.No	Name of Related Party	Nature of Transaction	31 March 2014		31 March 2013	
			Transaction - during 2013-14	Receivable/ (Payable)	Transaction during 2012-13	Receivable/ (Payable)
1	People's Forum	Portfolio Purchase and IOB Loan taken.			6,89,22,714.00	(51,30,084.00)



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Note 25 Securitisation of assets

As per RBI guidelines on securitisation on standard assets issued on 3 August 2012, the details of assets de-recognised by way of securitisation is as under:

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Book value of loan assets securitised during the year	81,79,37,409.00	38,94,93,813.00
Sale consideration received during the year	88,61,68,832.00	59,95,64,524.00
Total Gain on account of securitisation to be amortised over the life of the receivables during the year	6,82,31,423.00	21,00,70,711.00
Gain recognised in the profit & Loss a/c during the year	3,57,41,134.89	91,30,149.00
Quantum of credit enhancement provided during the year in the terms of deposits	7,85,44,848.00	4,88,13,136.00

Particulars	31 March 2014	31 March 2013
Book value of Loan assets securitised at the beginning of the year	37,59,81,714.16	14,62,14,374.16
Book value of loan assets securitised during the year	81,79,37,409.00	38,94,93,813.00
Repayment of Loan assets securitised during the year	47,19,09,137.16	15,97,26,473.00
Book value of Loan assets securitised at the end of the year	72,20,09,986.00	37,59,81,714.16

Particulars	31 March 2014	31 March 2013
Unamortised Gain from securitisation at the beginning of the year	2,75,72,711.00	85,25,730.00
Total Gain on account of securitisation to be amortised over the life of the receivables during the year	6,82,31,423.00	3,02,27,135.00
Gain recognised in the profit & Loss a/c during the year	3,57,41,134.89	91,80,154.00
Unamortised Gain from securitisation at the end of the year	6,00,62,998.84	2,75,72,711.00



Annex 26 Contingent Liabilities:
Guarantees given on assigned Portfolio

S. No.	Bank/FIs	31 st March 2016					31 st March 2015				
		Purchase consideration	Principal Outstanding	FLOG	FLOG %	Contingent Liability	Purchase consideration	Principal Outstanding	Contingent Liability	FLOG %	
1	Development Credit Bank Ltd/Managed	2,90,59,973.00	-	45,00,000.00	15	-	2,50,90,378.00	5,29,553.00	45,00,000.00	15	79,447.51
2	Development Credit Bank Ltd/Managed	1,95,84,000.00	-	30,00,000.00	15	-	1,95,84,375.00	50,55,800.00	30,00,000.00	15	8,09,353.83
4	IFMR Capital Mosaic	5,60,81,794.00	-	87,18,814.00	13	-	5,60,29,754.00	1,11,24,816.00	62,46,044.00	13	14,45,177.34
5	IFMR Capital Mosaic	3,54,24,345.00	-	49,35,000.00	14.8	-	3,54,24,318.00	1,30,39,122.10	48,50,000.00	14.8	19,12,019.35
6	IFMR Capital Mosaic	2,12,47,001.00	-	27,02,116.00	12.5	-	2,12,47,101.00	76,38,840.00	27,02,116.00	12.5	10,26,813.90
7	IFMR Capital Mosaic	3,21,78,011.00	-	37,25,965.00	12.5	-	3,21,26,031.00	1,73,54,368.00	37,58,985.00	12.5	21,09,358.50
8	IFMR Capital Mosaic	2,42,29,754.00	-	28,02,070.00	12.28	-	2,42,75,754.00	1,58,73,483.00	28,02,070.00	12.28	20,79,251.02
9	IFMR Capital Mosaic	2,47,09,105.00	-	30,63,057.00	12.25	-	3,17,39,459.00	2,42,86,217.00	33,82,287.00	12.25	21,76,286.55
10	IFMR Capital Mosaic	5,53,17,526.00	89,27,468.00	52,80,575.00	12.75	1227,504.72	5,53,17,879.00	4,57,04,269.00	62,09,876.00	12.75	28,24,340.40
11	IFMR Capital Mosaic	2,63,24,340.00	35,66,690.00	23,80,130.00	8.4	3,35,285.88	2,63,24,235.00	2,48,37,494.00	28,48,158.00	8.4	29,68,521.44
12	IFMR Capital Mosaic	9,44,02,197.00	2,19,95,200.00	1,09,06,682.00	11.5	25,29,446.25	9,44,02,197.00	4,70,12,890.00	1,00,08,982.00	11.5	1,00,00,482.35
13	IFMR Capital Mosaic	4,30,60,740.00	1,42,00,712.00	57,02,902.00	11.65	16,62,794.37	4,30,60,790.00	4,01,17,557.00	57,02,502.00	11.65	47,12,069.60
14	IFMR Capital Mosaic	4,36,36,025.00	1,35,11,124.00	58,01,289.00	12.1	18,46,946.00	4,36,36,025.00	4,03,04,871.00	69,04,286.00	12.1	48,41,073.39
15	IFMR Capital Mosaic	4,86,36,834.00	1,08,16,072.00	49,72,670.00	9.82	12,08,458.14	4,86,36,854.00	4,20,02,665.00	49,72,670.00	9.82	41,36,203.02
16	IFMR Mosaic Aruna	5,49,02,152.00	5,58,70,848.00	24,45,676.00	5.8	37,43,517.23					
17	IFMR Mosaic Aruna	8,59,21,158.00	6,09,75,579.00	72,79,082.00	8	72,87,874.11					
18	IFMR Mosaic Calles	17,48,55,816.00	7,00,84,428.00	1,28,00,000.00	8.8	90,11,120.81					
19	IFMR Mosaic Cyliss	6,30,29,864.00	4,27,58,183.00	80,00,000.00	13.53	80,45,326.70					
20	IFMR Mosaic Dena	11,78,03,975.00	8,70,31,803.00	1,13,65,266.00	10.9	87,22,342.47					
21	IFMR Mosaic Fina	5,06,38,222.00	2,52,49,305.00	46,00,000.00	8.6	19,36,432.57					
22	IFMR Mosaic Eas	4,92,42,215.00	4,32,00,320.00	37,50,000.00	8.29	31,36,675.15					
23	IFMR Mosaic Fina	4,96,00,299.00	4,55,73,515.00	27,40,114.00	6	27,42,111.08					
24	IFMR Mosaic Hydrex	8,95,14,852.00	5,38,93,821.00	68,48,178.00	11.25	53,14,044.35					
25	IFMR Mosaic Telesta	6,90,64,921.00	6,54,73,238.00	71,48,052.00	11.25	62,09,771.96					
26	IFMR Mosaic XXXIII	3,18,20,290.00	2,02,40,441.00	62,88,000.00	12	25,52,427.32					
27	IFMR Mosaic Zeos	10,54,33,819.00	8,06,09,934.00	52,30,326.00	7.5	1,37,05,455.80					
	TOTAL		72,30,85,986.00	14,03,24,229.00		7,42,15,374.50	55,15,43,521.00	37,07,81,714.10	5,74,89,136.00		4,44,58,909.19

