

ANNAPURNA REDUCES ITS INTEREST RATES

With the intention to reduce the interest burden on the client, Annapurna is pleased to introduce differential interest rate policy. This action is the result of our core value of following a client centric approach and to reward our loyal customers who are continuing their association with us. Keeping the same in mind loans will be given at differential rate of interest, based on the loan cycle with retrospective effect for all groups disbursed on or after 1st November 2015. For all groups receiving loan in 1st and 2nd cycle, rate of interest will be 23 %. For all groups receiving loan in 3rd cycle and onwards, rate of interest will be 22 %.

ANNAPURNA LAUNCHES HOME IMPROVEMENT LOAN

To support the right to adequate housing facilities in rural areas, Annapurna launched Home Improvement loan for its clients. It is a loan for improvements in a residential property, such as additions and modifications, maintenance and repair, or replacement of parts of a house. The loan can thus be utilized for various purposes like roofing, room extension and home completion. The results from the primary survey conducted by the Company also showed high demand of such products. The loan will currently be available only to the second cycle and above clients of Annapurna.



ANNAPURNA ASSIGNED A- GRADE IN SOCIAL RATING BY MICROFINANZA

Annapurna has been assigned A - grade based on the Social Rating by Microfinanza Rating. The key parameters on which Annapurna has been assessed are Social Performance Management, Client protection, Social Responsibility, Outreach and Quality of the Services. The social rating rationale ascertains that AMPL complies with client protection and displays a good alignment with international best practices. Product design is appropriate and informed by client feedback. The exposure to the risk of over-indebtedness is mitigated by the good internal controls, the focus on the client's repayment capacity and the effective use of the credit bureau. Transparency is good and pricing is aligned with peers and non-discriminatory. Corporate social responsibility is a strategic priority and related policies are well formalized.

SNAPSHOT

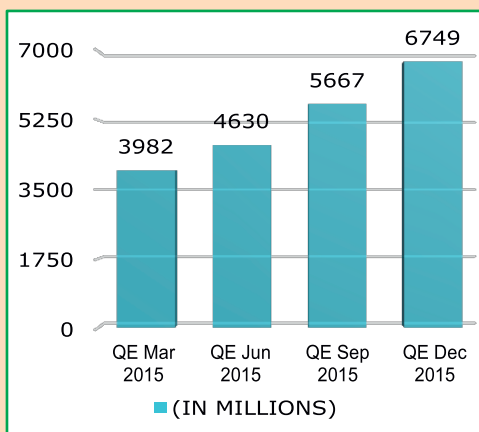
- Portfolio reached to Rs. 675 crore (+136%YoY)
- We feel proud to have crossed 5lakh clients
- Started operations in Rajasthan
- Dena Bank, Vijaya Bank and SBBJ are now in our Bankers list
- 2 new products introduced: Home Improvement Loan and Diary Development Loan

FINANCIAL AND OPERATIONAL UPDATES

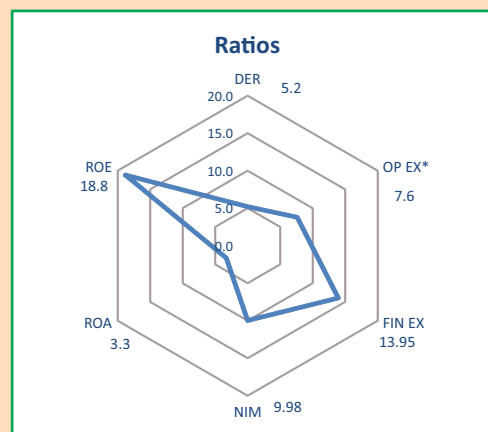
OPERATIONAL HIGHLIGHTS

	June-15	Sep-15	Dec-15
States	6	7	7
Branches	132	157	168
Members ('000)	481	567	657
Loan Disbursed (YTD) (INR Mn)	1533	3631	5982
Gross Portfolio (INR Mn)	4630	5667	6749
Growth %	16	22	19
Total Assets (INR Mn)	5320	6326	7537
Net worth (INR Mn)	901	976	1049
Securitized Portfolio (INR Mn)	601	730	1330

GROSS PORTFOLIO



KEY RATIOS



*Opex is on a higher side because the company is in an expansion Phase. In FY 16 upto Q3, Annapurna has opened 52 new branches which has increased the operational expenses of the company. Employee benefit expense has also been increased considerably from 8.5 Cr to 20.86 cr Year on Year with hiring of new staffs.

Health AWARENESS at Tilda, Raipur

Considering the importance of safe water and sanitation, Annapurna organised a training followed by a rally to spread awareness among villagers about the importance of safe water and sanitation. The activity was well attended by SHG members, School Children, Branch staffs and villagers at Tilda block of Raipur. The participants were informed about corresponding effects water borne diseases caused due to their current unhygienic practices. It was also shared that how safe sanitation practice can bring in considerable changes in their children's health, medical expenses and their productivity. The participants were motivated to use household toilets and avoid going for open defecation for environmental cleanliness. The School teachers and Sarpanch also played their part for sensitization and promised to support each household in the village. About 80 people participated in the program organised on 27th Jan 2016.



New Model Branch Opening at Balugaon

On 11th November, 2015 Annapurna inaugurated a model branch at Balugaon. This is a multi-product branch offering a variety of financing solution of different loan sizes to the customers, apart from the SHG loans. Loans for Micro-enterprise, Education, Loans for Person With Disability and single women, Dairy loan, and loans for home improvement are some of the products that will be provided through this branch. Apart from this Annapurna also opened 15 other new branches across MP, Maharashtra and Bihar. The company has also established its Regional office in Udaipur, officially confirming its presence in Rajasthan.



NEW PRODUCT TRAINING AT HO & BRANCH



Annapurna recently introduced two new products (in pilot) - Home Improvement Loan and Dairy Development Loan. The former one is a loan for improvements in a residential property i.e. additions & modifications; maintenance & repair; or replacements of a parts of the home. The loan can thus be utilised for various purposes like roofing, room extension and home completion. The results from a primary survey that we conducted have shown high demand for such products. The second loan is specifically for financing cross-breed cows, where 80% of the cattle cost will be provided. This loan is for the persons having existing cattle rearing activity, where the main objective of the product is to make this activity as a primary source of income of a client. The loan will currently be available only to the clients in the second and above loan cycle. In the above pictures, it can be seen that the staffs at HO and branch (Nayagarh) are given orientation about the new products.

ORGANISATIONAL PROGRAMS



AMPL Strategic Meet: The meeting was organised between 30th Jan-1st Feb 2016 at Kanha, Madhya Pradesh. Periodically organising such meets helps create a platform facilitating discussion to create better business strategies. The team discussed some of the very constructive ideas on operational strategies and how that can be included further in the organisation to achieve better

Foundation Day Celebration:

Annapurna celebrated the Foundation Day of Peoples' Forum, its parent organisation on 27th December 2015. The senior management with the HO staffs celebrated the occasion while reiterating the vision to address the needs of the poor in sustained manner.



MFIN RESPONSIBLE FINANCE TEAM VISIT TO AMPL



The RBI appointed SRO for microfinance, has 48 leading NBFC-MFIs as its members across the country. AMPL being a member of MFIN, adheres to a framework comprising of external (RBI's Fair Practice Code) and internal (Industry Code of Conduct) to ensure responsible and transparent business practices. In 1st week of February, the MFIN team visited AMPL to for the assessment of responsible business index and kind of client protection measures being followed.

ANNAPURNA ORGANISED CANDLE MAKING TRAINING FOR SHGs

A training program on candle making was recently being organised by our Khandagiri branch. As many as 35 members from different SHGs participated in the program, which was equally supported by Nigam Institute for Governing Activities a local NGO having expertise on this field. The entire training was focused on both theoretical approach and practical orientation on candle making. We believe by organising this types of skill-oriented training will help the women members in creating an alternate source of income for their respective families.



MY STORY - SHE HAS SEEN THE CHANGE IN HER LIFE



Ms. Kabita Baral, a 21 year divorcee, had been living at her sister's home with a natural feeling of being a burden, until she joined the SHG formed by Annapurna. Ms. Baral is a part of an SHG in the Narendrapur village under our Balugaon branch. She gradually made herself trained in making various handicraft items, besides learning the skill to make

different household essentials out of cane. She could see the change in her income which was supplementing her earlier tailoring business. But that was not enough, she made herself clear that she is going to support her sister's family as well as to send her son to school. She took the risk, and with the income generating loan of INR 30,000 from Annapurna in December 2012, she started venturing into the cane-craft in a big way in comparison to her capability. She even roped in two workers to support her with the business. The risk that she took paid off, with her beautiful crafting style she could able to attract customers for the products that she make. Currently she is so happy to be associated with AMPL, which not only supported building her image but gave her unimaginable economic benefits. She can now support the family and send her son to school and lead her life in a much better way.

-Its a feel good moment for the entire team of Annapurna!!