

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Annapurna Microfinance Private Limited

**Report on the Financial Statements**

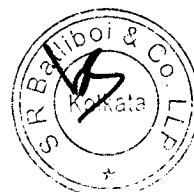
We have audited the accompanying financial statements of Annapurna Microfinance Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with 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 of 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 the design, implementation and maintenance of adequate internal financial control 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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.



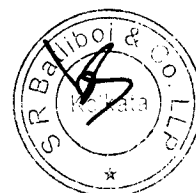
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

### **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 of the state of affairs of the Company as at March 31, 2016, its profit, and its 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, 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 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
  - (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;



# **S.R. BATLIBOI & CO. LLP**

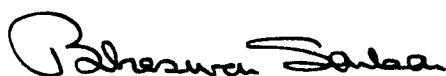
Chartered Accountants

- (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 written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 2" to this report; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

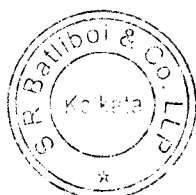
ICAI Firm Registration Number: 301003E/E300005



**per Bhaswar Sarkar**

Partner

Membership Number: 55596

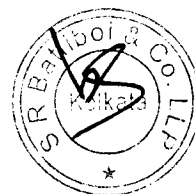


Place of Signature: Kolkata

Date: June 21, 2016

**Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Annapurna Microfinance Private Limited as at and for the year ended March 31, 2016**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the Company.
- (ii) The Company's business does not involve inventories. Accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3 (vi) of the Order are not applicable to the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there have been delays in a few cases.



# **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, cess and other statutory dues were outstanding, at the year-end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, service tax and cess which have not been deposited on account of any dispute.

In respect of sub clauses (vii) (a) to (vii) (c) above, the Company did not have any dues towards wealth tax, sales tax, custom duty, value added tax and excise duty, during the year.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

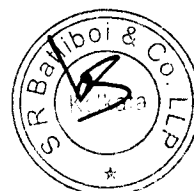
(ix) According to the information and explanation given by the management, the Company has not raised any money by way of initial public offer or further public offer, hence not commented upon.

Further, money raised by the Company by way of term loans were applied for the purpose for which they were raised, though idle/ surplus were gainfully invested in fixed deposits/ liquid assets funds, pending for the purpose for which they were raised/ utilised

(x) We have been informed that the employee of the Company had misappropriated funds amounting to Rs. 195,184/- during the year under audit. Investigations are in progress and the employee has been terminated and arrested. The Company has withheld his terminal benefits. No amount has been recovered by the Company till date.

(xi) The Company been a private Company, the provisions of section 197 read with Schedule V of the Act is not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.



# **S.R. BATLIBOI & Co. LLP**

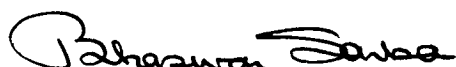
Chartered Accountants

- (xiii) According to the information and explanations given by the management, transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of equity shares and fully convertible preference shares, issued during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

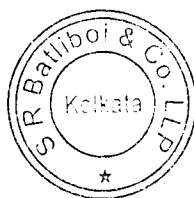
ICAI Firm Registration Number: 301003E/E300005



**per Bhaswar Sarkar**

Partner

Membership Number: 55596



Place of Signature: Kolkata

Date: June 21, 2016

**Annexure 2 referred to in paragraph 2 (f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Annapurna Microfinance Private Limited as at and for the year ended March 31, 2016**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

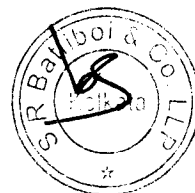
We have audited the internal financial controls over financial reporting of Annapurna Microfinance Private Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

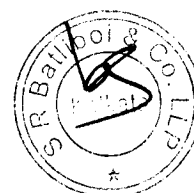
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.





# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

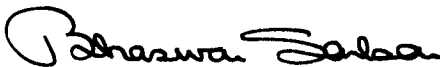
## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

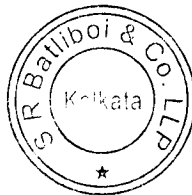
ICAI Firm Registration Number: 301003E/E300005



**per Bhaswar Sarkar**

Partner

Membership Number: 55596



Place of Signature: Kolkata

Date: June 21, 2016

**Annapurna Microfinance Private Limited**  
**Balance Sheet as at March 31, 2016**

	Notes	March 31, 2016	March 31, 2015
		(Rs.)	(Rs.)
<b>I. Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	36,38,11,550	26,19,50,740
Reserves and surplus	4	83,38,02,567	37,46,74,584
		1,19,76,14,117	63,66,25,324
<b>Non-current liabilities</b>			
Long-term borrowings	5	5,46,58,90,890	2,20,71,42,651
Deferred tax liabilities (net)	10	22,52,823	20,46,474
Other long-term liabilities	7	6,71,814	28,26,678
Long term provisions	6	2,58,12,325	1,00,39,217
		5,49,46,27,852	2,22,20,55,020
<b>Current liabilities</b>			
Other current liabilities	7	3,43,82,96,913	1,95,16,48,273
Short-term provisions	6	8,82,25,815	2,28,75,178
		3,52,65,22,728	1,97,45,23,451
<b>Total</b>		<b>10,21,87,64,697</b>	<b>4,83,32,03,795</b>
<b>II. Assets</b>			
<b>Non-current assets</b>			
Fixed assets	8	3,97,77,119	2,13,50,179
Long term loans and advances	11	2,63,82,80,793	1,06,75,96,910
Other non-current assets	12	36,64,27,540	21,22,36,392
		3,04,44,85,452	1,30,11,83,481
<b>Current assets</b>			
Current investments	9	-	36,00,000
Cash and Bank Balances	13	2,28,97,21,145	1,10,22,28,645
Short-term loans and advances	11	4,73,73,23,483	2,34,53,06,055
Other current assets	12	14,72,34,617	8,08,85,614
		7,17,42,79,245	3,53,20,20,314
<b>Total</b>		<b>10,21,87,64,697</b>	<b>4,83,32,03,795</b>

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For S.R.Batliboi & Co. LLP**

Firm Registration No.301003E/E300005

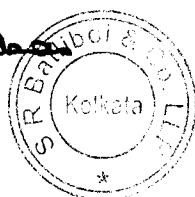
Chartered Accountants

*Bhaswar Sarkar*

**per Bhaswar Sarkar**

Partner

Membership No.: 55596



**For and on behalf of the Board of Directors of**  
**Annapurna Microfinance Private Limited**

*Gobinda Chandra Pattanaik*

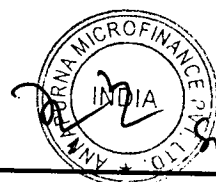
**Gobinda Chandra Pattanaik**  
Managing Director

*Dibyajyoti Pattanaik*

**Dibyajyoti Pattanaik**  
Director

*Subrata Pradhan*

**Subrat Pradhan**  
Company Secretary



Place: Kolkata

Date: June 21, 2016

Place: Bhubaneswar

Date: June 21, 2016

**Annapurna Microfinance Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2016**

	Notes	Year Ended March 31, 2016 (Rs.)	Year Ended March 31, 2015 (Rs.)
<b>I. Income</b>			
Revenue from operations	14	1,39,63,00,872	54,54,60,038
Other income	15	10,55,00,271	5,72,86,295
<b>Total Income</b>		<b>1,50,18,01,143</b>	<b>60,27,46,333</b>
<b>II. Expenses</b>			
Employee benefit expenses	16	31,32,22,826	13,95,23,641
Depreciation expense	8	1,50,60,033	90,30,467
Finance costs	17	73,97,81,430	33,37,93,297
Provision for standard and non performing assets	19	4,33,99,338	2,30,95,255
Other expenses	18	10,72,44,016	4,94,61,093
<b>Total Expenses</b>		<b>1,21,87,07,643</b>	<b>55,49,03,753</b>
<b>Profit before prior period expenses</b>		<b>28,30,93,500</b>	<b>4,78,42,580</b>
Less: Prior period expenses (net of income)	20	-	26,02,252
<b>Profit before tax</b>		<b>28,30,93,500</b>	<b>4,52,40,328</b>
<b>Tax expense</b>			
- Current tax		10,09,88,260	99,29,269
- Deferred tax		2,06,350	47,46,772
<b>Total tax expenses</b>		<b>10,11,94,610</b>	<b>1,46,76,041</b>
<b>Profit for the year</b>		<b>18,18,98,890</b>	<b>3,05,64,287</b>
<b>Earning per equity share (EPS)- annualised</b>	23		
Basic (Rs.)		6.26	1.40
Diluted (Rs.)		5.43	1.35
Nominal value of share (Rs.)		10.00	10.00

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S.R.Batliboi & Co. LLP**  
Firm Registration No.301003E/E300005  
Chartered Accountants

*Bhaswar Sarkar*  
**per Bhaswar Sarkar**  
Partner  
Membership No.: 55596

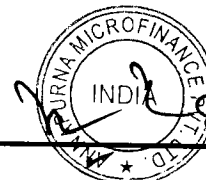


**For and on behalf of the Board of Directors of  
Annapurna Microfinance Private Limited**

*Gobinda Chandra Pattanaik*  
**Gobinda Chandra Pattanaik**  
Managing Director

*Dibyajyoti Pattanaik*  
**Dibyajyoti Pattanaik**  
Director

*Subrata Pradhan*  
**Subrat Pradhan**  
Company Secretary



Place: Kolkata  
Date: June 21, 2016

Place: Bhubaneshwar  
Date: June 21, 2016

**Annapurna Microfinance Private Limited****Cash Flow Statement for the Year ended March 31, 2016**

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
	(Rs.)	(Rs.)
<b>A. Cash flow from operating activities</b>		
Profit before tax	28,30,93,500	4,52,40,328
Adjustment to reconcile profit before tax to net cash flows		
Depreciation expense	1,50,60,033	90,30,467
Provision for standard and non performing assets	3,98,59,159	2,30,95,255
Portfolio loans and other balances written off	35,40,179	-
Finance costs	73,97,81,430	33,37,93,297
Profit on sale of current investments	(3,02,34,911)	(1,02,88,294)
Management stock option compensation	1,11,95,855	1,34,82,983
<b>Operating profit before working capital changes</b>	<b>1,06,22,95,245</b>	<b>41,43,54,036</b>
Movements in working capital:		
Increase in other current and non-current assets	(7,05,98,987)	(5,13,85,427)
Increase in loans and advances	(3,97,33,40,990)	(2,32,32,96,716)
Increase in other long term liabilities, current liabilities and provisions	5,02,57,312	10,58,04,499
<b>Cash generated from operations</b>	<b>(2,93,13,87,420)</b>	<b>(1,85,45,23,608)</b>
Direct taxes paid	(6,15,08,254)	(2,00,16,858)
<b>Net cash used in operating activities (A)</b>	<b>(2,99,28,95,674)</b>	<b>(1,87,45,40,466)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(3,34,86,973)	(2,17,82,014)
Sale / (Purchase) of current investments (net)	36,00,000	(24,00,000)
Increase in fixed deposits (net)	(24,01,78,096)	(11,78,70,873)
Profit on sale of current investments	3,02,34,910	1,02,88,294
<b>Net cash used in investing activities (B)</b>	<b>(23,98,30,159)</b>	<b>(13,17,64,593)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital	12,99,99,958	1,00,00,000
Proceeds from long-term borrowings (net)	4,86,35,37,214	2,15,77,97,308
Proceeds from issue of compulsory convertible debentures	-	24,00,00,000
Interest and finance charges	(67,20,89,540)	(27,92,82,978)
Dividend paid on preference shares	(18,00,000)	(18,00,000)
Tax on preference dividend paid	(3,05,910)	(3,05,910)
<b>Net cash from financing activities (C)</b>	<b>4,31,93,41,722</b>	<b>2,12,64,08,420</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,08,66,15,889</b>	<b>12,01,03,361</b>
Cash and cash equivalents at the beginning of the year	95,12,10,890	83,11,07,529
<b>Cash and cash equivalents at the end of the year</b>	<b>2,03,78,26,779</b>	<b>95,12,10,890</b>
<b>Components of cash and cash equivalents:</b>		
Balances with banks:		
on current accounts **		
deposit with original maturity of less than three months	1,93,53,82,012	93,76,87,271
Cash on hand	9,99,99,958	1,00,00,000
	24,44,809	35,23,619
<b>Total cash and cash equivalents (Note 13)*</b>	<b>2,03,78,26,779</b>	<b>95,12,10,890</b>

\* Represents cash and bank balances as indicated in Note No.13 and excludes Rs.606,156,885/- (Previous Year : Rs.355,339,110/-) being Fixed Deposits with restricted use and with original maturity of more than three months.

\*\* includes Rs. 16,064,773 to be disbursed as loan, pursuant to business correspondent activities carried out by the Company. Refer Note no. 30.

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S.R.Batliboi & Co. LLP**

Firm Registration No.301003E/E300005

Chartered Accountants

**For and on behalf of the Board of Directors of  
Annapurna Microfinance Private Limited**

per Bhaswar Sarkar

Partner

Membership No.: 55596

Gobinda Chandra Pattanaik  
Managing Director

Dibyajyoti Pattanaik  
Director

Subrata Pradhan  
Subrat Pradhan  
Company Secretary

Place: Kolkata

Date: June 21, 2016

Place: Bhubaneswar  
Date: June 21, 2016

## **Annapurna Microfinance Private Limited**

### **Notes to the Financial Statements as at and for the year ended March 31, 2016**

#### **1. Corporate information**

Annapurna Microfinance Private Limited ('the Company') is a private company incorporated in India. The Company was registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') and has got classified as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with effect from October 22, 2013.

The Company is engaged primarily in providing micro finance services to women in rural areas of India, who are enrolled as members and organized as Self Help Groups ('SHG').

#### **2. Basis of preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act, 2013 ("the Act"), read together with rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the RBI as applicable to a NBFC-MFI and Systematically Important NBFC-ND.

The financial statements have been prepared under the historical cost convention on an accrual basis except interest on Non-Performing Loans which is accounted for on realisation basis. The accounting policies applied by the Company are consistent with those applied in the previous year.

##### **2.1. Summary of significant accounting policies**

###### **a. Use of estimates**

The preparation of financial statements in conformity with the generally accepted accounting principles in India (GAAP) requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

###### **b. Revenue recognition**

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

- i. Interest income on portfolio loans is recognised in the Statement of Profit and Loss on a time proportion basis taking into account the amount outstanding and the rates applicable, except in the case of non-performing assets ("NPA's") where it is recognised, upon realisation, as per the relevant prudential norms prescribed by RBI. Any such income recognised before the asset became non-performing and remaining unrealised are reversed.



- ii) The profit / premium arising at the time of securitization of loan portfolio is recognised over the life of the underlying loan portfolio, in accordance with Guidelines on transfer of assets through securitization issued by Reserve Bank of India.
- iii) Interest income on deposits with banks is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- iv) Processing fees are recognised as income upfront when it becomes due.
- v) Income from services rendered in connection with loans given on behalf of banks to self-help groups organized / monitored by the Company are recognized on accrual basis as and when such services are rendered.
- vi) All other income is recognized on an accrual basis.

### **c. Tangible assets**

All fixed assets are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for the intended use.

### **d. Depreciation on tangible assets**

Depreciation on tangible fixed assets is provided on written down value method as per the life prescribed under Schedule II of the Companies Act, 2013 which is in accordance with management estimates of the useful life of the underlying assets.

### **e. Impairment**

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### **f. Investments**

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statement at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of investment, the difference between the carrying amount and net disposal proceeds are charged or credited to the statement of profit and loss.



#### **g. Borrowing costs**

Borrowing costs includes interests which are recognised on time proportion basis taking into account the amount outstanding and the rate applicable on the borrowings.

Ancillary fees incurred for arrangement of borrowings from banks and financial institutions are amortized over the tenure of respective loans and those incurred in connection with securitization transaction are amortized over the tenure of the securitization deal.

#### **h. Foreign currency transactions**

All transactions in foreign currency are recognized at the exchange rate prevailing on the date of the transaction. Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year. Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

#### **i. Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable under the scheme. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year. Actuarial gains and losses for defined benefit plan are recognized in full in the year in which they occur in the statement of profit and loss.

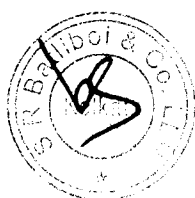
Short term compensated absences are provided for based on estimates.

#### **j. Income taxes**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carried forward unabsorbed depreciation or tax losses, all deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax assets can be realised. At each



reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax assets to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available.

#### **k. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### **l. Provisions & Contingent Liabilities:**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

#### **m. Cash and cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank and unrestricted short-term investments with an original maturity of three months or less.

#### **n. Share based payments**

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognized, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. Expense recognized in the Statement of Profit and Loss for the year represents the movement in cumulative expense recognized at the beginning and end of that year and is recognized in employee benefits expense.

#### **o. Classification of loan portfolio**

Loans are classified as follows:

Asset Classification	Period
Standard Assets	Current Loan and overdue upto 90 days
Non-Performing Assets	Overdue from 91 days and more

"Overdue" refers to interest and / or installment remaining unpaid from the day it became receivable.





The above classification is in compliance with Non-Banking Financial Company-Micro Finance Institutions (NBFC-MFIs) Directions, December 02, 2011, as amended from time to time.

#### **p. Provisioning on loan portfolio**

Provision on portfolio loans are made at the higher of management estimate or minimum provision required as per Non-Banking Financial Company Micro Finance Institutions (Reserve Bank) Directions, 2011 as amended from time to time. The Management treats a loan overdue as soon as a scheduled installment is failed.

As per the Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011 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 installments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan installments which are overdue for 180 days or more.

Provision for losses arising under securitisation is on the basis of incurred losses (shortfall in collection), subject to the maximum guarantee given in respect of securitisation arrangements.

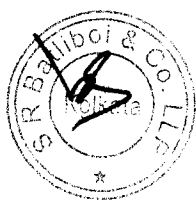
All overdue loans where the tenure of the loan is completed and in the opinion of the management not recoverable are written off.

#### **q. Lease**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

#### **r. Corporate Social Responsibility (CSR) expenditure**

The provision made towards CSR expenses is charged to the Statement of Profit and Loss.



**Annapurna Microfinance Private Limited**  
Notes to the Financial Statements as at and for the year ended March 31, 2016

Share capital	March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
<b>Authorized Shares</b>		
38,000,000 (March 31, 2015: 33,000,000) equity shares of Rs.10/- each	38,00,00,000	33,00,00,000
5,000,000 (March 31, 2015: 2,000,000) preference shares of Rs.10/-each	5,00,00,000	2,00,00,000
	43,00,00,000	35,00,00,000
<b>Issued, subscribed and fully paid-up shares</b>		
31,381,155 (March 31, 2015: 24,195,074) equity shares of Rs.10/- each	31,38,11,550	24,19,50,740
2,000,000 (March 31, 2015: 2,000,000) 9% Optionally Convertible Preference Shares (OCPS) of Rs.10/- each	2,00,00,000	2,00,00,000
3,000,000 (March 31, 2015: NIL) 0% Compulsory Convertible Preference Shares (CCPS) of Rs.10/- each	3,00,00,000	-
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>36,38,11,550</b>	<b>26,19,50,740</b>

**Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity shares	March 31, 2016		March 31, 2015	
	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the year	2,41,95,074	24,19,50,740	1,66,44,764	16,64,47,640
Issued during the year	71,86,081	7,18,60,810	75,50,310	7,55,03,100
<b>Shares outstanding at the end of the year</b>	<b>3,13,81,155</b>	<b>31,38,11,550</b>	<b>2,41,95,074</b>	<b>24,19,50,740</b>

9% Optionally Convertible Preference Shares	March 31, 2016		March 31, 2015	
	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the year	20,00,000	2,00,00,000	20,00,000	2,00,00,000
Issued during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>20,00,000</b>	<b>2,00,00,000</b>	<b>20,00,000</b>	<b>2,00,00,000</b>

0% Compulsory Convertible Preference Shares	March 31, 2016		March 31, 2015	
	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the year	-	-	-	-
Issued during the year	30,00,000	3,00,00,000	-	-
<b>Shares outstanding at the end of the year</b>	<b>30,00,000</b>	<b>3,00,00,000</b>	<b>-</b>	<b>-</b>

**A. Terms/rights attached to equity shares**

The Company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share for matters other than "Investor Reserved Matters".

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the investors at their sole discretion have the option to receive an amount equal to 100% of each investor's aggregate investment amount after distribution of all creditors and preferential amounts. Thereafter, the promoters and promoter shareholders other than the investor shall receive pro-rata distribution of all their entire subscription amounts in proportion to their shareholding in the Company. Remaining surplus, if any shall be distributed to all equity shareholders on a pro rata basis.

**B. Terms of conversion/redemption of preference shares**

i) The Company had issued optionally convertible preference shares (OCPS) of Rs. 2 crores (having face value of Rs. 10 each) to Small Industries Development Bank. The conversion option has to be exercised before the expiry of 4 years from the date of issue of preference shares. The dividend is to be paid within 3 months from the close of the financial year. Dividend, if not paid, is cumulative in nature. OCPS are convertible either full or in parts at the option of the holder based on book value of the Company's equity shares as per last audited financial statements. The conversion option may be exercised by the holder more than once till full redemption.

In case conversion option is not exercised by the holder, then OCPS will be redeemed as follows :

- 50 % of outstanding OCPS at the end of 4 years from date of first disbursement (Date - 04th March, 2013).
- Remaining outstanding OCPS at the end of 5 years, commencing from the date of first disbursement.

ii) During the year, the Company has issued compulsory convertible preference shares (CCPS) of Rs. 3 crores (having face value of Rs. 10 each) to AIDS Awareness Trust of Orissa. CCPS are convertible into equity at face value as per shareholders' agreement dated 30th March, 2015.

**C. Details of shareholders holding more than 5% shares in the Company**

Name of shareholder	March 31, 2016		March 31, 2015	
	No. of Shares held	% of Holding in the class	No. of Shares held	% of Holding in the class
<b>Equity Shares of Rs.10 each fully paid</b>				
Gobinda Chandra Pattanaik	62,92,731	20.05%	62,92,731	26.01%
RIF East 2 (Investor)*	85,68,497	27.30%	85,68,497	35.41%
Belgian Investment Company for Developing Countries NV - SA (Investor)*	80,27,723	25.58%	80,27,723	33.18%
SIOBI Trustee Company Limited A/c ("Samridhi Fund") (Investor)*	56,01,853	17.85%	10,00,000	4.13%
OCB Bank Ltd.*	18,24,151	5.81%	-	0.00%
<b>Total</b>	<b>3,03,14,955</b>	<b>96.60%</b>	<b>2,38,88,951</b>	<b>98.73%</b>
<b>Optionally Convertible Preference Shares of Rs. 10 each</b>				
Small Industries Development Bank of India	20,00,000	100.00%	20,00,000	100.00%
<b>Total</b>	<b>20,00,000</b>	<b>100.00%</b>	<b>20,00,000</b>	<b>100.00%</b>
<b>Compulsory Convertible Preference Shares of Rs. 10</b>				
AIDS Awareness Trust of Orissa	30,00,000	100.00%	-	0.00%
<b>Total</b>	<b>30,00,000</b>	<b>100.00%</b>	<b>-</b>	<b>0.00%</b>

\* The classification is based on the records maintained by the Company and relied upon by the auditors.

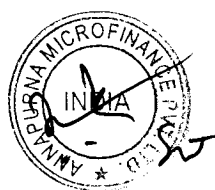
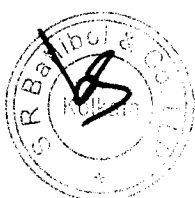


**Annapurna Microfinance Private Limited**  
**Notes to the Financial Statements as at and for the year ended March 31, 2016**

**D. Shares reserved for issue under options**

- i) For details of shares reserved for issue under the management stock option plan (MSOP) of the Company, please refer Note 25.
- ii) For detail of shares reserved for issue on conversion of preference shares (both optionally and compulsory convertible), refer note 3 (B) regarding terms of conversion / redemption of preference shares.

<b>4 Reserves and surplus</b>		<b>March 31, 2016</b>	<b>March 31, 2015</b>
		<b>(Rs.)</b>	<b>(Rs.)</b>
<b>A. Securities premium account</b>			
Balance as per last year's financial statements		27,05,38,623	9,71,41,732
Add: Addition during the year		26,81,39,148	17,44,96,891
Less: Share issue expenses		-	(11,00,000)
<b>Closing Balance</b>		<b>53,86,77,771</b>	<b>27,05,38,623</b>
<b>B. Management stock options outstanding</b>			
Gross management stock compensation for options granted in earlier years (Refer Note 25)		1,34,82,983	21,68,876
Add: gross compensation for options granted during the year		1,11,95,855	1,52,48,684
Less: deferred management stock compensation		-	39,34,577
<b>Closing Balance</b>		<b>2,46,78,838</b>	<b>1,34,82,983</b>
<b>C. Statutory reserve</b>			
Balance as per last financial statements		1,96,91,969	1,35,79,112
Add: Amount transferred from surplus balance in the Statement of Profit & Loss during the year		3,63,79,778	61,12,857
<b>Closing Balance</b>		<b>5,60,71,747</b>	<b>1,96,91,969</b>
<b>D. Surplus in the Statement of Profit and Loss</b>			
Balance as per last financial statements		7,09,61,009	4,92,26,775
Profit for the year		18,18,98,890	3,05,64,287
Less: Appropriations			
Corporate Social Responsibility		-	6,11,286
Transferred to Statutory Reserve		3,63,79,778	61,12,857
Proposed Preference Dividend		18,00,000	18,00,000
Tax on Preference Dividend		3,05,910	3,05,910
<b>Total Appropriations</b>		<b>3,84,85,688</b>	<b>88,30,053</b>
<b>Net surplus in the Statement of profit and loss</b>		<b>21,43,74,211</b>	<b>7,09,61,009</b>
<b>Total</b>		<b>83,38,02,567</b>	<b>37,46,74,584</b>

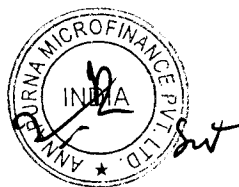


**Annapurna Microfinance Private Limited**  
**Notes to the Financial Statements as at and for the year ended March 31, 2016**

5 Long-term borrowings	Non Current Portion		Current Portion	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>A. Debentures (privately placed)</b>				
Secured				
- from Banks 12.55% Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each )	-	4,99,99,500	4,99,99,500	6,00,00,300
- from Financial institutions 13.50% - 14.75% Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each )	2,41,39,00,000	83,65,00,000	-	-
- from Non banking finance companies (NBFC) 12.50% - 17.00% Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each )	11,50,00,100	9,58,33,434	32,58,32,600	17,50,00,000
Unsecured				
-Compulsory Convertible Debentures (CCD)*	-	24,00,00,000	-	-
- from NBFC (subordinated)	30,00,00,000	-	-	-
<b>B. Term loans</b>				
Secured				
- from Banks	1,76,04,32,521	75,74,28,720	1,88,23,33,112	88,24,41,273
- from NBFC	16,51,19,997	17,53,22,500	53,01,46,784	57,04,64,584
- from Financial Institution (FI)	58,96,82,333	5,09,09,091	28,30,38,660	1,90,90,909
Unsecured				
- from NBFC (subordinated)	10,00,00,000	-	-	-
- from Financial Institution (FI)	2,00,00,000	-	-	-
<b>C. Vehicle loans</b>				
Secured				
- from Banks	17,55,939	11,49,406	11,85,810	7,50,425
<b>Total</b>	<b>5,46,58,90,890</b>	<b>2,20,71,42,651</b>	<b>3,07,25,36,466</b>	<b>1,70,77,47,491</b>
Above amount includes				
Secured	5,06,58,90,890	1,96,71,42,651	3,07,25,36,466	1,70,77,47,491
Unsecured	40,00,00,000	24,00,00,000	-	-
Amount disclosed under the head "other current liabilities" (Refer Note 7)	-	-	(3,07,25,36,466)	(1,70,77,47,491)
<b>Total</b>	<b>5,46,58,90,890</b>	<b>2,20,71,42,651</b>	<b>-</b>	<b>-</b>

\* Converted into Equity Shares during the year.

Vehicle loans are secured against hypothecation of vehicles purchase against such loans and are repayable in equated monthly instalments carrying interest rate ranging from 9.50% -11.50% p.a.



5A Long-term borrowings (Contd.)

Terms of repayment of Debentures & Term Loans as on Mar 31, 2016

Original maturity of loan	Due within 1 year		Due between 1 to 2 years		Due between 2 to 3 Years		Due between 3 to 5 Years		Above 5		Interest Rate	Total
	No. of Instalments	Amount (in Rupees)	No. of Instalments	Amount (in Rupees)	No. of Instalments	Amount (in Rupees)	No. of Instalments	Amount (in Rupees)	No. of Instalments	Amount (in Rupees)		
<b>Non-Convertible Debentures</b>												
<b>Bullet repayment schedule</b>												
<b>From FIs:</b>												
Above 3 Yrs.	-	-	-	-	3	72,00,00,000	2	67,60,00,000	2	46,74,00,000	3.70% - 14.75%	1,86,34,00,000
<b>From NBFCs:</b>												
Above 3 Yrs.	-	-	-	-	-	-	2	7,00,00,000	2	25,00,00,000	4.90% - 17.00%	32,00,00,000
<b>From FIs:</b>												
1-3 Yrs.	-	-	1	15,45,00,000	1	39,60,00,000	-	-	-	-	3.60% - 13.75%	55,05,00,000
<b>Bi monthly repayment schedule**</b>												
<b>From Banks:</b>												
1-3 Yrs.	5	4,99,99,500	-	-	-	-	-	-	-	-	12.55%	4,99,99,500
<b>Monthly repayment schedule</b>												
<b>From NBFCs:</b>												
1-3 Yrs.	55	32,58,32,600	14	9,50,00,100	-	-	-	-	-	-	2.70% - 14.00%	42,08,32,700
Above 3 Yrs.	-	-	-	-	-	-	-	-	-	-	-	-
<b>Term Loans</b>												
<b>Monthly repayment schedule</b>												
<b>From Banks:</b>												
1-3 Yrs.	237	1,07,43,89,174	170	71,20,67,430	67	19,72,31,856	-	-	-	-	1.70% - 13.50%	1,98,36,88,460
Above 3 Yrs.	70	14,13,97,060	71	14,61,99,141	47	10,52,17,181	22	5,72,29,269	-	-	2.40% - 13.90%	45,00,42,651
<b>From FIs:</b>												
1-3 Yrs.	19	8,30,38,667	24	11,63,49,000	11	7,33,33,333	-	-	-	-	2.50% - 13.50%	27,27,21,000
<b>From NBFCs:</b>												
1-3 Yrs.	123	46,68,10,786	33	13,76,19,998	2	1,25,00,000	-	-	-	-	0.10% - 16.00%	61,69,30,784
<b>Quarterly repayment schedule</b>												
<b>From Banks:</b>												
1-3 Yrs.	55	66,65,46,878	31	50,92,59,957	4	3,32,27,679	-	-	-	-	1.30% - 13.65%	1,20,90,34,514
<b>From NBFCs:</b>												
1-3 Yrs.	8	6,33,35,999	2	1,49,99,999	-	-	-	-	-	-	4.50% - 15.00%	7,83,35,998
<b>Bullet repayment schedule</b>												
<b>From NBFCs:</b>												
Above 3 Yrs.	-	-	-	-	-	-	-	-	2	10,00,00,000	16.50%	10,00,00,000
<b>From FIs:</b>												
1-3 Yrs.	-	-	4	1,33,33,333	2	66,66,667	-	-	-	-	2.00%	2,00,00,000
<b>Half Yearly repayment schedule</b>												
<b>From FIs:</b>												
1-3 Yrs.	2	20,00,00,000	2	20,00,00,000	2	20,00,00,000	-	-	-	-	11.50%	60,00,00,000
<b>Grand Total</b>		3,07,13,50,664		2,09,93,28,958		1,74,41,76,716		80,32,29,269		81,74,00,000		8,53,54,85,607

1. The above non-convertible debentures are secured by way of exclusive charge on all receivable from underlying portfolio loans. The debentures are also further secured by pari passu charge on the land of the Company situated at Sriperumbudur Taluk, Kancheepuram District.

- \* (a) includes outstanding debenture of Rs. 292,000,000 having the option to debenture holder to exercise either of the following redemption option date :  
i) 25% ( Rs. 73,000,000) of the outstanding principal amount by November 13, 2017; 99.99% ( Rs. 218,978,100) by May 13, 2018 and the remaining balance (Rs. 21,900) by May 13, 2019.  
ii) 25% ( Rs. 73,000,000) of the outstanding principal amount by November 13, 2018 and the remaining balance ( Rs. 219,000,000) by May 13, 2019.  
(b) includes outstanding debenture of Rs. 1,377,000,000 wherein debenture holders / company have the option to exercise the following redemption date:  
i) 100% ( Rs. 384,000,000) of the outstanding principal amount by May 28, 2018.  
ii) 100% (Rs. 330,000,000) at the end of 3 years (13th September, 2018), if put/call option exercised, other wise 100% at the end of 4 years (13th September, 2019).  
iii) 100% ( Rs. 267,000,000) of the outstanding principal amount by December 10, 2018.  
iv) 100% ( Rs. 396,000,000) of the outstanding principal amount by December 04, 2018.

- \*\* 2. The Company can redeem the debentures in prorata or in full before the due date by paying a premature premium of 2% of the outstanding principal amount of the debenture, subject to prior written consent of the debenture trustee.  
3. The term loans are secured by hypothecation of portfolio loans covered by hypothecation loan agreement and margin money deposits.  
4. Term loans outstanding Rs. 2,669,992,337/- are also guaranteed by promoter directors of the company.



**5B Long-term borrowings (Contd.)**

Terms of repayment of Debentures & Term Loans as at March 31, 2015

Original maturity of loan	Due within 1 year		Due between 1 to 2 years		Due between 2 to 3 Years		Due between 3 to 5 Years		Interest Rate	Total
	No. of instalments	Amount (in Rupees)	No. of instalments	Amount (in Rupees)	No. of instalments	Amount (in Rupees)	No. of instalments	Amount (in Rupees)		
<b>Non-Convertible Debentures</b>										
<b>From FIs*:</b>										
Above 3 Yrs.	-	-	-	-	1	15,45,00,000	3	68,20,00,000	13.75% - 14.75%	83,65,00,000
<b>Bi monthly repayment schedule **</b>										
<b>From Banks:</b>										
1-3 Yrs.	6	6,00,00,300	5	4,99,99,500	-	-	-	-	12.55%	10,99,99,800
<b>Monthly repayment schedule</b>										
<b>From NBFCs:</b>										
1-3 Yrs.	36	17,50,00,000	20	9,58,33,434	-	-	-	-	13.25-14.00%	27,08,33,434
<b>Term Loans</b>										
<b>Monthly repayment schedule</b>										
<b>From Banks:</b>										
1-3 Yrs.	151	56,07,44,080	77	34,39,26,624	12	3,36,00,000	2	48,00,000	12.70% - 14.25%	94,30,70,704
Above 3 Yrs.	47	8,50,54,333	48	8,60,96,000	47	8,47,71,000	25	4,16,79,668		29,76,01,001
<b>From NBFCs:</b>										
1-3 Yrs.	180	54,78,89,493	55	16,74,41,046	12	2,54,54,545	-	-	12.00% - 16.75%	74,07,85,084
<b>Quarterly repayment schedule</b>										
<b>From Banks:</b>										
1-3 Yrs.	25	23,66,42,860	17	14,75,55,428	3	1,50,00,000	-	-	12.75% - 14.00%	39,91,98,288
<b>From NBFCs:</b>										
1-3 Yrs.	6	4,16,66,000	4	3,33,36,000	-	-	-	-	15.00%	7,50,02,000
<b>Grand Total</b>		<b>1,70,69,97,066</b>		<b>92,41,88,032</b>		<b>31,33,25,545</b>		<b>72,84,79,668</b>		<b>3,67,29,90,311</b>

1. The above non-convertible debentures are secured by way of exclusive charge on all receivable from underlying portfolio loans.

\* (a) includes outstanding debenture of Rs. 292,000,000 wherein debenture holders have the option to exercise either of the following redemption option date :

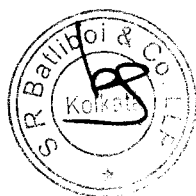
- 25% ( Rs. 73,000,000) of the outstanding principal amount by November 13, 2017; 99.99% ( Rs. 218,978,100) by May 13, 2018 and the remaining balance (Rs. 21,900) by May 13, 2019; or
- 25% ( Rs. 73,000,000) of the outstanding principal amount by November 13, 2018 and the remaining balance ( Rs. 219,000,000) by May 13, 2019.

\* (b) includes outstanding debenture of Rs. 390,000,000 having put/call option after 24 months i.e October 8, 2014.

\*\* 2. The Company can redeem the debentures in prorata or in full before the due date by paying a premature premium of 2% of the outstanding principal amount of the debenture, subject to prior written consent of the debenture trustee.

3. The term loans are secured by hypothecation of portfolio loans covered by hypothecation loan agreement and margin money deposits.

4. Term loans amounting to Rs. 325,693,523/- are also guaranteed by promoter directors of the company.



**Annapurna Microfinance Private Limited**  
**Notes to the Financial Statements as at and for the year ended March 31, 2016**

6	Provisions	Non Current Portion		Current Portion	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
A.	<b>Provision for portfolio loans</b>				
	On standard assets	2,26,54,249	72,52,350	4,60,44,433	2,27,17,264
	On non performing assets	31,58,076	27,86,867	-	-
		<b>2,58,12,325</b>	<b>1,00,39,217</b>	<b>4,60,44,433</b>	<b>2,27,17,264</b>
B.	<b>Others</b>				
	Provision for taxation (Net of advance tax Rs. 65,106,856) (Previous Year: Nil)	-	-	3,94,80,006	-
	Provision for securitized and managed portfolio	-	-	9,16,797	1,57,914
	Provision for Gratuity	-	-	13,69,590	-
	Provision for Leave Encashment	-	-	4,14,989	-
		-	-	<b>4,21,81,382</b>	<b>1,57,914</b>
	<b>Total</b>	<b>2,58,12,325</b>	<b>1,00,39,217</b>	<b>8,82,25,815</b>	<b>2,28,75,178</b>

7	Other liabilities	Non Current Portion		Current Portion	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
	Current maturities of long-term borrowings (Refer Note 5)	-	-	3,07,25,36,466	1,70,77,47,491
	Interest accrued but not due on borrowings	-	-	12,55,31,381	5,78,39,491
	Cash profit on loan transfer transactions pending recognition	6,71,814	28,26,678	75,97,504	3,77,97,442
	Payable for portfolio loan securitised	-	-	12,51,92,797	8,57,78,807
	Payable on Corporate Social Responsibility activities	-	-	55,20,588	18,08,366
	Salary payable	-	-	1,68,54,334	40,35,676
	Dividend on preference shares	-	-	18,00,000	18,00,000
	Dividend distribution tax payable	-	-	3,05,910	3,05,910
	Statutory dues payable	-	-	77,01,090	59,68,334
	Insurance premium payable	-	-	4,70,89,915	1,13,61,137
	Advance from banks (pending disbursement) (Refer Note 30)	-	-	1,60,64,773	3,19,60,115
	Other payables	-	-	1,21,02,155	52,45,504
	<b>Total</b>	<b>6,71,814</b>	<b>28,26,678</b>	<b>3,43,82,96,913</b>	<b>1,95,16,48,273</b>

9	Current Investment	March 31, 2016	March 31, 2015
		(Rs.)	(Rs.)
	<b>Non-trade investment (unquoted)</b> (valued at lower of cost and fair value, unless stated otherwise)		
	Units in mutual funds		
	Nil units (March 31, 2015 : 197,109.973 units) of Canara Robeco Savings Plus Fund - regular dividend at face value of Rs 10 (March 31, 2015 :10)	-	36,00,000
	<b>Total</b>	<b>-</b>	<b>36,00,000</b>

10	Deferred tax assets / (liabilities) (net)	March 31, 2016	March 31, 2015
		(Rs.)	(Rs.)
	<b>Deferred tax assets</b>		
	Provision for standard and non performing assets	2,51,86,927	1,06,79,075
	Fixed assets: impact of difference between tax depreciation and depreciation charged for the financial reporting	10,35,069	5,23,160
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	30,79,063	-
		<b>2,93,01,059</b>	<b>1,12,02,235</b>
	<b>Deferred tax liabilities</b>		
	Unamortised processing fees on borrowings	(3,15,53,882)	(1,32,48,709)
	<b>Net deferred tax assets / (liabilities)</b>	<b>(22,52,823)</b>	<b>(20,46,474)</b>



**Annapurna Microfinance Private Limited**

**Notes to the Financial Statements as at and for the year ended March 31, 2016**

**8. FIXED ASSETS :**

**(Amount in Rs.)**

<b>Cost or Valuation</b>	<b>Furniture &amp; Fixtures</b>	<b>Computers</b>	<b>Office Equipments</b>	<b>Vehicles</b>	<b>Freehold Land</b>	<b>Total</b>
<b>As at 1st April 2014</b>	<b>33,20,541</b>	<b>33,34,790</b>	<b>24,35,864</b>	<b>14,71,000</b>	-	<b>1,05,62,195</b>
Additions	65,53,080	82,34,292	45,44,569	24,50,073	-	2,17,82,014
Disposals	-	-	-	-	-	-
<b>As at 31st March 2015</b>	<b>98,73,621</b>	<b>1,15,69,082</b>	<b>69,80,433</b>	<b>39,21,073</b>	-	<b>3,23,44,209</b>
Additions	65,32,257	1,43,88,968	84,13,968	28,00,980	13,50,800	3,34,86,973
Disposals	-	-	-	-	-	-
<b>As at 31st March 2016</b>	<b>1,64,05,878</b>	<b>2,59,58,050</b>	<b>1,53,94,401</b>	<b>67,22,053</b>	<b>13,50,800</b>	<b>6,58,31,182</b>
<b>Depreciation</b>						
<b>As at 1st April 2014</b>	<b>3,22,073</b>	<b>9,56,458</b>	<b>1,15,602</b>	<b>5,69,430</b>	-	<b>19,63,563</b>
Charge For the Period	17,78,834	42,38,826	23,02,440	7,10,367	-	90,30,467
Disposals	-	-	-	-	-	-
<b>As at 31st March 2015</b>	<b>21,00,907</b>	<b>51,95,284</b>	<b>24,18,042</b>	<b>12,79,797</b>	-	<b>1,09,94,030</b>
Charge For the Period	29,12,195	79,99,599	33,20,862	8,27,377	-	1,50,60,033
Disposals	-	-	-	-	-	-
<b>As at 31st March 2016</b>	<b>50,13,102</b>	<b>1,31,94,883</b>	<b>57,38,904</b>	<b>21,07,174</b>	-	<b>2,60,54,063</b>
<b>Net Block</b>						
<b>As at 31st March 2015</b>	<b>77,72,714</b>	<b>63,73,798</b>	<b>45,62,391</b>	<b>26,41,276</b>	-	<b>2,13,50,179</b>
<b>As at 31st March 2016</b>	<b>1,13,92,776</b>	<b>1,27,63,167</b>	<b>96,55,497</b>	<b>46,14,879</b>	<b>13,50,800</b>	<b>3,97,77,119</b>





**Annapurna Microfinance Private Limited**  
**Notes to the Financial Statements as at and for the year ended March 31, 2016**

11 Loans and advances (Unsecured, considered good unless stated otherwise)	Non-Current Portion		Current Portion	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>A. Portfolio loans</b>				
Considered good	2,57,64,66,519	1,00,05,99,191	4,60,44,43,255	2,27,17,26,384
Considered doubtful	47,65,975	33,22,498	-	-
	<b>2,58,12,32,494</b>	<b>1,00,39,21,689</b>	<b>4,60,44,43,255</b>	<b>2,27,17,26,384</b>
<b>B. Advances recoverable in cash or kind</b>	-	-	1,76,95,180	34,80,031
	-	-	<b>1,76,95,180</b>	<b>34,80,031</b>
<b>C. Security Deposit</b>	12,50,000	12,50,000	36,78,000	22,48,000
	<b>12,50,000</b>	<b>12,50,000</b>	<b>36,78,000</b>	<b>22,48,000</b>
<b>D. Others</b>				
Prepaid Expenses	4,21,99,110	2,24,04,654	4,89,70,732	2,71,21,562
Loan to staff	28,40,750	-	32,58,631	90,399
Cenvat Credit receivable	-	-	2,77,685	-
Deposits with Public Financial Institutions (marked as lien towards term loans availed)	30,00,000	3,20,00,000	5,90,00,000	4,06,39,679
Advance Income Tax (Net of provision for tax Rs. 9,929,269) (Previous Year : Rs. Nil)	77,58,439	80,20,567	-	-
	<b>5,57,98,299</b>	<b>6,24,25,221</b>	<b>11,15,07,048</b>	<b>6,78,51,640</b>
<b>Total</b>	<b>2,63,82,80,793</b>	<b>1,06,75,96,910</b>	<b>4,73,73,23,483</b>	<b>2,34,53,06,055</b>

12 Other assets (Unsecured, considered good unless stated otherwise)	Non-Current Portion		Current Portion	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Non current bank balances (Refer Note 13 )	35,42,62,519	20,43,21,355	-	-
	<b>35,42,62,519</b>	<b>20,43,21,355</b>	-	-
<b>Others</b>				
Interest accrued but not due on portfolio loans	-	-	10,54,89,485	5,27,42,946
Interest accrued but not due on deposits placed with banks and financial institutions	1,21,65,021	79,15,037	2,54,04,023	1,88,68,513
Insurance claim recoverable (Net of Provision - Rs. 7,111,875/-) (Previous Year : Nil)*	-	-	1,63,41,109	92,74,155
	<b>1,21,65,021</b>	<b>79,15,037</b>	<b>14,72,34,617</b>	<b>8,08,85,614</b>
<b>Total</b>	<b>36,64,27,540</b>	<b>21,22,36,392</b>	<b>14,72,34,617</b>	<b>8,08,85,614</b>

\*represents claim lodged / to be lodged with Insurance Company. As per arrangement with Insurance Company, the outstanding amount recoverable on death of members or nominees, would be claimed from the Insurance Company.

13 Cash and bank balances	Non-Current Portion		Current Portion	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>Cash and cash equivalents</b>				
Balances with banks:				
-on current accounts	-	-	1,93,53,82,012	93,76,87,271
-deposit with original maturity of less than three months	-	-	9,99,99,958	1,00,00,000
Cash on hand	-	-	24,44,809	35,23,619
	-	-	<b>2,03,78,26,779</b>	<b>95,12,10,890</b>
<b>Other bank balances</b>				
Deposit with original maturity for more than 3 months but less than 12 months	-	-	4,53,70,937	-
Deposit with original maturity for more than 12 months	35,42,62,519	20,43,21,355	20,65,23,429	15,10,17,755
	<b>35,42,62,519</b>	<b>20,43,21,355</b>	<b>25,18,94,366</b>	<b>15,10,17,755</b>
Amount disclosed under non-current assets (Refer Note 12)	(35,42,62,519)	(20,43,21,355)	-	-
<b>Total</b>	-	-	<b>2,28,97,21,145</b>	<b>1,10,22,28,645</b>

Note:

i) Includes deposit certificates of Rs. 606,156,885/- (Previous Year: Rs. 315,594,288/-) marked as lien towards term loans availed from banks and financial institutions, towards cash collateral placed in connection with portfolio loan securitisation and business correspondent activities entered with bank.

ii) Current account includes Rs. 16,064,773 to be disbursed as loan, pursuant to business correspondent activities carried out by the Company. Refer Note no. 30.



**Annapurna Microfinance Private Limited**  
**Notes to the Financial Statements as at and for the year ended March 31, 2016**

14 Revenue from operations	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Interest income on portfolio loans	1,18,54,15,344	44,30,77,906
Upfront processing Fees	9,59,88,110	4,40,88,740
Income from securitisation (excess interest spread / premium)	11,48,97,418	5,82,93,392
<b>Total</b>	<b>1,39,63,00,872</b>	<b>54,54,60,038</b>

15 Other income	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Interest Income on fixed deposits with banks and others	4,16,86,927	4,07,15,319
Profit on sale of current investments	3,02,34,911	1,02,88,294
Service Fees Income (Refer Note No. 30)	3,35,24,140	6,50,212
Miscellaneous income	54,293	56,32,470
<b>Total</b>	<b>10,55,00,271</b>	<b>5,72,86,295</b>

16 Employee benefit expenses	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Salaries and bonus	27,53,82,645	11,67,24,466
Contributions to provident fund and others	1,92,25,819	81,36,737
Management stock option compensation (Refer Note 25)	1,11,95,855	1,13,14,107
Gratuity expenses (Refer Note 24)	23,77,603	7,87,081
Leave encashment expenses	4,14,989	-
Staff welfare expenses	46,25,915	25,61,250
<b>Total</b>	<b>31,32,22,826</b>	<b>13,95,23,641</b>

17 Finance costs	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Interest expense	69,35,26,400	30,93,80,103
Other borrowing costs	4,62,55,030	2,44,13,194
<b>Total</b>	<b>73,97,81,430</b>	<b>33,37,93,297</b>

18 Other expenses	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Rent	2,03,87,167	1,09,64,322
Rates and taxes	19,31,515	10,54,095
Repairs & maintenance		
- Office maintenance	25,31,783	13,70,021
Office Expenses	92,17,771	47,56,005
Director sitting fees	1,10,000	1,10,000
Travelling and conveyance	1,43,86,653	44,20,687
Communication expenses	92,57,172	51,09,095
Printing & stationery	12,12,075	9,11,505
Legal and professional fees	2,35,41,152	1,11,98,734
Payment to auditors ( refer details below )	30,00,000	22,15,000
Advertisement	13,29,971	8,51,043
Training & meeting expenses	40,76,046	16,97,487
Electricity charges	24,79,013	11,02,442
Provision for insurance Claims	71,11,875	-
Provision for CSR Activities	37,12,222	-
Miscellaneous expenses	29,59,601	37,00,657
<b>Total</b>	<b>10,72,44,016</b>	<b>4,94,61,093</b>

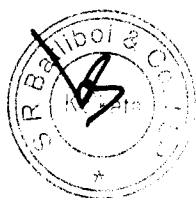
Payment to auditors	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
As auditor:		
Audit fee	25,00,000	13,00,000
Limited review	-	6,00,000
In other capacity		
Other services (certification fees)	4,00,000	2,00,000
Reimbursement of expenses (including service tax)	1,00,000	1,15,000
	<b>30,00,000</b>	<b>22,15,000</b>



**Annapurna Microfinance Private Limited**  
**Notes to the Financial Statements as at and for the year ended March 31, 2016**

19 Provision for standard and non performing assets	Year ended March 31, 2016	Year ended March 31, 2015
	(Rs.)	(Rs.)
Contingent provision against standard assets	3,87,29,067	2,17,56,748
Provision for non-performing assets	3,71,209	11,80,593
Portfolio loans and other balances written off	35,40,179	-
Provision and loss on securitized / managed portfolio	7,58,883	1,57,914
	<b>4,33,99,338</b>	<b>2,30,95,255</b>

20 Prior period expenses (net of income)	Year ended March 31, 2016	Year ended March 31, 2015
	(Rs.)	(Rs.)
i) Legal and professional fees	-	21,29,380
ii) Management stock option compensation	-	21,68,876
iii) Interest income on portfolio loan excess recognised	-	98,95,369
Less : Ancilliary borrowing costs recognised in excess in earlier year	-	1,41,93,625
	-	<b>1,15,91,373</b>
		<b>26,02,252</b>



**Annapurna Microfinance Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2016**

**21 Details of Securitised Portfolio and Income arising out of the same**

During the year, the Company has sold loans through securitisation. The information regarding the securitisation activity as an originator is shown below:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
	(Rs.)	(Rs.)
Total book value of the loans securitised during the year (A)	1,69,13,69,089	69,88,19,148
Sale consideration received for the loans securitised during the year (B)	1,70,00,92,008	91,21,31,617
Gain on securitisation ( B-A)	87,22,919	21,33,12,469
Income from asset securitisation recognised in the statement of profit and loss	11,48,97,418	5,82,93,392
Portfolio loan securitised and outstanding	1,36,20,34,649	60,95,69,957
<b>Credit enhancements provided and outstanding:</b>		
Principal subordination	5,82,99,619	-
Cash collateral	12,88,78,207	9,32,92,017
The Company has transferred all the rights and obligations relating to above securitised loan assets to various banks.		

**22 Segment Reporting**

The Company operates in a single reportable segment i.e. lending to members, and other related activities which has similar risks and returns for the purpose of Accounting Standard-17 on 'Segment Reporting' specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company operates in a single geographical segment i.e. India. Hence, no additional disclosures are required under Accounting Standard-17.

**23 Earnings per share (EPS)**

Particulars	31-Mar-16	31-Mar-15
Net Profit after tax ( Rs.)	18,18,98,890	3,05,64,287
Less: Dividend on 9% Optionally Convertible Preference Shares and tax thereon ( Rs.)	21,05,910	21,05,910
Net Profit for calculation of basic EPS ( Rs.)	17,97,92,980	2,84,58,377
Net Profit for calculation of diluted EPS ( Rs.)	18,18,98,890	2,84,58,377
Weighted average number of equity shares in calculating basis EPS	2,87,15,907	2,03,10,629
Effect of dilution:		
Expected Shares to be granted under MSOP and on conversion of preference share *	47,66,734	8,17,198
Weighted average number of equity shares in calculating diluted EPS	3,34,82,641	2,11,27,827
Earning per share:		
Basic ( Rs.)	6.26	1.40
Diluted ( Rs.)	5.43	1.35

\* The impact of conversion of optionally convertible preference shares were anti-dilutive in previous year, hence not considered for calculation of diluted EPS.



**Annapurna Microfinance Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2016**

**24 (a) Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on departure and it is computed at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in the balance sheet for the gratuity plans.

Particulars	31-Mar-16	31-Mar-15
<b>Assumptions:</b>		
Discount Rate	8.00%	8.00%
Salary Escalation	7.00%	7.00%
Expected Rate of Return on Assets	8.00%	9.00%
Expected Average Remaining Working Life of Employees (Years)	30.16	30.06
Withdrawal Rate	Varying between 8% per annum to 1% per annum depending on duration and age of employees	Varying between 8% per annum to 1% per annum depending on duration and age of employees
<b>Table Showing changes in present value of Defined Benefit obligation:</b>		
Present value of defined benefit obligations as at beginning of the year	(Rs.) 14,73,957	(Rs.) 6,64,270
Interest cost	2,17,180	96,220
Current service cost	20,42,873	8,70,720
Benefit Paid	-	-
Actuarial loss / (gain) on obligations	2,06,692	(1,57,253)
Present value of defined benefit obligations as at end of the year	39,40,702	14,73,957
<b>Table showing fair value of plan assets:</b>		
Fair value of plan assets at beginning of the year	17,31,970	6,13,144
Expected return on plan assets	1,72,123	1,05,241
Contributions	7,50,000	10,96,220
Benefits Paid	-	-
Actuarial loss on plan assets	(82,981)	(82,635)
Fair value of plan assets at end of the year	25,71,112	17,31,970
<b>Actuarial (Gain)/Loss recognised:</b>		
Actuarial loss / (gain) on obligations	2,06,692	(1,57,253)
Actuarial loss on Plan assets	82,981	82,635
Actuarial loss / (gain) recognised in the year	2,89,673	(74,618)
<b>The amounts to be recognised in the Balance Sheet:</b>		
Present value of obligations at the end of the year	39,40,702	14,73,957
Fair value of plan assets at the end of the year	25,71,112	17,31,970
Net asset / (liability) recognised in balance sheet	(13,69,590)	2,58,013
<b>Expenses Recognised in statement of Profit and Loss:</b>		
Current Service Cost	20,42,873	8,70,720
Interest Cost	2,17,180	96,220
Expected return on Plan assets.	1,72,123	1,05,241
Net Actuarial loss / (gain) recognised in the year	2,89,673	(74,618)
Expenses recognised in statement of profit and loss	23,77,603	7,87,081
Actual return on plan assets	89,142	22,606

**Amounts for the current and previous year are as follows:**

Particulars	As on 31st March, 2016	As on 31st March, 2015
Defined Benefit Obligations	39,40,702	14,73,957
Plan Assets	25,71,112	17,31,970
Surplus/(Deficit)	(13,69,590)	2,58,013
Experience adjustments on plan liabilities [(Gain)/Loss]	1,69,160	-
Experience adjustments on plan assets [Gain/(Loss)]	(82,981)	(82,635)

The Major categories of Plan Assets as a percentage of the fair value of Total Plan Asset are as follows:

Particulars	As on 31st March, 2016	As on 31st March, 2015
Insurance Managed Fund	100%	100%

The estimates of future salary increases considered in actuarial valuation, takes account of inflation, seniority and other relevant factors, such as supply and demand in the employment market.

The Company expects to contribute Rs.2,252,716/- {March 31, 2015: (Rs.931,903/-)} to gratuity fund in 2015-16.

The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been no significant change in expected rate of return.

The Company has started recording gratuity liability based on actuarial valuation from the financial year 2014-15 onwards, hence figures for earlier years are not furnished.

- b) Amount incurred as expense for defined contribution to Provident Fund and others is Rs. 1,40,59,873/- (Previous Year: Rs. 8,136,737/-)



**Annapurna Microfinance Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2016**

**25 Management Stock Option Plan (MSOP)**

The Company provides share-based payment schemes to its key management personnel. The plan in operation as on March 31, 2016 are MSOP Series- A and MSOP - Series -B.

Particulars	MSOP - Series A	MSOP - Series B (i)	MSOP - Series B (ii)
Date of Grant	June 29, 2012	March 19, 2014	March 19, 2014
Date of Board Approval	June 29, 2012	March 19, 2014	March 19, 2014
Date of Shareholder's Approval	June 29, 2012	March 19, 2014	March 19, 2014
Number of Options expected to exercise within the vesting period	164060	416119	915462
Exercise Price per Share ( Rs.)	2.5	5	5
Method of Settlement	Equity	Equity	Equity
Vesting Period	March 31, 2013	March 31, 2015	March 31, 2016
Exercise Period	Immediate after vesting period subject to shareholders' approval	Immediate after vesting period subject to shareholders' approval	Immediate after vesting period subject to shareholders' approval
Vesting Conditions	Performance milestones as set out in shareholder agreement dated June 29, 2012	Performance milestones as set out in shareholder agreement dated March 19, 2014	Performance milestones as set out in shareholder agreement dated March 19, 2014

The detail of the plans have been summarised below:

**MSOP- Series A**

Particulars	31-Mar-16		31-Mar-15	
	No. of Options	Exercise Price ( Rs.)	No. of Options	Exercise Price ( Rs.)
Outstanding at the beginning of the year	1,64,060.00	2.50	1,64,060.00	2.50
Granted During the year	-	-	-	-
Forfeited During the year	-	-	-	-
Exercised During the year	-	-	-	-
Expired During the year	-	-	-	-
Outstanding at the end of the year	1,64,060.00	2.50	1,64,060.00	2.50
Exercisable at the end of the year	1,64,060.00	2.50	1,64,060.00	2.50
Weighted Average Remaining Contractual Life in Years	-	-	-	-

**MSOP- Series B**

Particulars	31-Mar-16		31-Mar-15	
	No. of Options	Exercise Price ( Rs.)	No. of Options	Exercise Price ( Rs.)
Outstanding at the beginning of the year	8,73,850.00	5.00	-	-
Granted During the year	4,57,731.12	5.00	8,73,850.00	5.00
Forfeited During the year	-	-	-	-
Exercised During the year	-	-	-	-
Expired During the year	-	-	-	-
Outstanding at the end of the year	13,31,581.12	5.00	8,73,850.00	5.00
Exercisable at the end of the year	13,31,581.12	5.00	8,73,850.00	5.00
Weighted Average Remaining Contractual Life in Years	-	-	1.02	-

Effect of share-based payment plans on the statement of profit and loss and on the financial position :

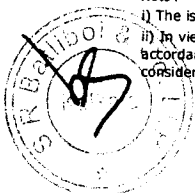
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015*
Stock option expenditure for Key Managerial Person	83,96,891	1,00,88,751
Stock option expenditure for Employees	27,98,964	33,94,232
Total compensation cost pertaining to equity-settled employee share based payment	1,11,95,855	1,34,82,983

\* Out of above expenses Rs. 2,168,876/- is related to earlier years and disclosed as prior period expenses. Refer Note 20.

Particulars	March 31, 2016	March 31, 2015
Stock options outstanding (gross)	2,46,78,838	1,74,17,560
Deferred compensation cost outstanding	-	39,34,577
Stock options outstanding (net)	2,46,78,838	1,34,82,983

Note :

- The issue of shares will be in accordance with the provisions of the Companies Act, 2013.
- In view of cost of above options being recognised under intrinsic value method, fair valuation of the option in accordance with the guidance note issued by the Institute of Chartered Accountants of India has not been considered necessary. Management believes that the impact of fair value is not expected to be material.



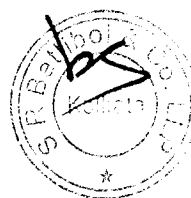
**Annapurna Microfinance Private Limited**  
**Notes to financial statements for the year ended March 31, 2016**

**26 Loan portfolio and provision for standard and non-performing assets as at March 31, 2016:**

Asset classification	Portfolio loans outstanding (Gross)		Provision for standard and non-performing assets				Portfolio loans outstanding (Net)	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2015	Provision Made during the year	Provision written back during the year	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Standard assets	7,18,09,09,774	3,27,23,25,575	2,99,69,614	3,87,29,068	-	6,86,98,682	7,11,22,11,092	3,24,23,55,961
Non-Performing assets	47,65,975	33,22,498	27,86,867	3,71,209	-	31,58,076	16,07,899	5,35,631
<b>Total</b>	<b>7,18,56,75,749</b>	<b>3,27,56,48,073</b>	<b>3,27,56,481</b>	<b>3,91,00,277</b>	<b>-</b>	<b>7,18,56,758</b>	<b>7,11,38,18,991</b>	<b>3,24,28,91,592</b>

**Loan portfolio and provision for standard and non-performing assets as at March 31, 2015:**

Asset classification	Portfolio loans outstanding (Gross)		Provision for standard and non-performing assets				Portfolio loans outstanding (Net)	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2014	Provision Made during the year	Provision written back during the year	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Standard assets	3,27,23,25,575	98,82,11,415	82,12,866	2,17,56,748	-	2,99,69,614	3,24,23,55,961	97,99,98,549
Non-Performing assets	33,22,498	16,06,273	16,06,273	11,80,594	-	27,86,867	5,35,631	-
<b>Total</b>	<b>3,27,56,48,073</b>	<b>98,98,17,688</b>	<b>98,19,139</b>	<b>2,29,37,342</b>	<b>-</b>	<b>3,27,56,481</b>	<b>3,24,28,91,592</b>	<b>97,99,98,549</b>



**Annapurna Microfinance Private Limited**  
**Notes to financial statements for the year ended March 31 ,2016**

**27 Related party disclosures**

**i) Names of related parties and related party relationship**

Key management personnel	
Name	Designation
Mr. Gobinda Chandra Pattanaik	Managing Director & CEO
Mr. Dibyajyoti Pattanaik	Director & CFO
Mr. Subrat Pradhan	Company Secretary

**ii) Nature of transactions**

Particulars	31-Mar-16		31-Mar-15	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding
<b>(i) Key management personnel</b>				
Salary, incentives and perquisites				
Mr. Gobinda Chandra Pattanaik*	36,75,004	-	21,94,170	-
Mr. Dibyajyoti Pattanaik*	17,88,004	-	14,45,170	-
Mr. Subrat Pradhan*	6,72,710	-	5,06,474	-
<b>Total</b>	<b>61,35,718</b>	<b>-</b>	<b>41,45,814</b>	<b>-</b>

Notes:

\*As the actuarial liability for gratuity has been provided for the Company as a whole, the amount pertaining to Key Management Personnel are separately not ascertainable, and therefore not included above.

Refer Note no. 5 A & 5 B as regards term loans personally guaranteed by promoter directors of the Company.  
Refer Note no. 25 as regards Management Stock option plan.

**28 Leases**

**Operating lease: Company as lessee**

The Company has operating leases for office premises that are renewable on a periodic basis and are cancellable by giving a notice period ranging from one month to three months. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements. There are no subleases and contingent rents.

The amount of rent expenses included in the Statement of Profit and Loss towards operating leases aggregate to Rs. 20,387,167/-(10,964,322/-).

**29 Expenditure in foreign currency (on accrual basis)**

Description	Year ended March 31, 2016	Year ended March 31, 2015
	(Rs.)	(Rs.)
Travelling Expenses	8,99,492	9,25,800
Professional Fees for Non-Convertible Debentures	43,26,504	-

**30** The Company has agreement with Banks for providing following business correspondent activities, as per terms of agreement entered with banks:

- amounts received from banks are disbursed as loan to self-help groups organised / monitored by the Company and such self-help groups are considered as banks' borrowers.
- the Company provides services in connection with recovery and monitoring of such loans.
- the Company has provided collaterals in the form of Fixed Deposits which would be adjusted by the banks, to the extent of default made by borrower.

The detail of activities undertaken is as follows :

Particulars	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)
Amount from banks (pending disbursement) - opening balance	3,19,60,115	-
Amount received from banks for disbursement of loan	74,29,58,000	13,17,29,991
Loan disbursed during the year	75,50,05,516	9,84,57,000
Loan collected during the year	23,62,08,175	-
Death Settlement received but not paid to Bank	5,05,939	-
Amount refunded / returned to banks during the year	24,05,61,940	13,12,876
Amount yet to be disbursed	1,60,64,773	3,19,60,115
<b>Credit enhancements provided and outstanding:</b>		
Cash collateral	3,55,00,000	1,70,00,000
<b>Service Fee Income recognised during the year</b>	<b>3,35,24,140</b>	<b>6,50,212</b>





**Annapurna Microfinance Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2016**

**31 Additional disclosures pursuant to the Reserve Bank Directions vide :**

**A) Information on Net Interest Margin**

Computation of aggregate margin cap as on March 31, 2015 :		31-Mar-16	31-Mar-15
a) Average Interest charged by the Company on advances (%)		24.35	23.02
b) Average Interest cost of borrowings of the Company (%)		14.71	14.84
c) Margin Cap (a-b) (%)		9.64	8.18

**B) Exposure to Gold Loan**

The Company has no exposure to Gold Loan directly or indirectly.

**C) Circular no. RBI/2014-15/299, DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014**  
**List of disclosure pertaining to captioned circular:**

Particulars	Remarks
1. Capital to Risk (Weighted) Assets Ratio	Refer Note No. 31 (D)
2. Investments	Refer Note No. 31 (E)
3. Derivatives	
i) Forward Rate Agreement / Interest Rate Swap	The Company has no transaction or exposure in derivatives in the current and previous year.
ii) Exchange Traded Interest Rate (IR) Derivatives	
iii) Disclosures on Risk Exposure in Derivatives	The Company has no unhedged foreign currency exposure as on March 31, 2016 and March 31, 2015.
iv) Forward rate agreement/Interest rate swap	
4. Disclosures relating to Securitisation	
i) Information duly certified by the SPV's auditors obtained by the originating NBFC from the SPV.	Refer Note No. 31 (F)
ii) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction	The Company has not sold financial assets to securitisation or reconstruction company for assets reconstruction during the current and previous year.
iii) Details of Assignment transactions undertaken by NBFCs	The Company has not undertaken any assignment transactions during the current and previous year.
5. Details of non-performing financial assets purchased / sold	
i) Details of non-performing financial assets purchased :	The Company has not purchased / sold non-performing financial assets during the current and previous year.
ii) Details of Non-performing Financial Assets sold :	
6. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities	Refer Note No. 31 (Q)
7. Exposures	
i) Exposure to Real Estate Sector	The Company has no exposure to real estate directly or indirectly.
ii) Exposure to Capital Market	The Company has no exposure to capital market directly or indirectly.
iii) Details of financing of parent company products	This Disclosure is not applicable as the Company does not have any holding or parent company.
8. Details of financing of parent company products :	
i) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC	The Company has not exceeded any limit in respect of SGL / GBL during the current and previous year.
ii) Unsecured Advances	Refer Note No. 31 (G)



**Annapurna Microfinance Private Limited**
**Notes to the Financial Statements for the year ended March 31, 2016**

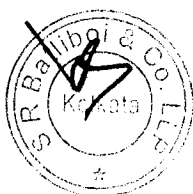
9. Miscellaneous	
i) Registration obtained from other financial sector regulators	Refer Note No. 31 (H)
ii) Disclosure of Penalties imposed by RBI and other regulators	No Penalties were imposed by RBI and other regulators during the current and previous year.
iii) Related Party Transactions	Refer Note No. 27
iv) Ratings assigned by credit rating agencies and migration of ratings during the year	Refer Note No. 31 (I)
v) Remuneration of Directors	Refer Note No. 27
vi) Net Profit or Loss for the period, prior period items and changes in accounting policies	Refer Note No. 2 & 2.1
vii) Revenue Recognition	Refer Note No. 2.1(b)
viii) Accounting Standard 21 -Consolidated Financial Statements (CFS)	This Disclosure is not applicable as the Company does not have any holding or parent company.
10. Additional Disclosures	
i) Provisions and Contingencies	Refer Note No. 31 (J)
ii) Draw Down from Reserves	There has been no draw down from reserves during the year ended March 31, 2016 (Previous Year : Nil).
iii) Concentration of Deposits, Advances, Exposures and NPAs	
a) Concentration of Deposits (for deposit taking NBFCs)	This Disclosure is not applicable as the Company as it is not a deposit taking NBFC.
b) Concentration of Advances	Refer Note No. 31 (K)
c) Concentration of Exposure	Refer Note No. 31 (L)
d) Concentration of NPAs	Refer Note No. 31 (M)
e) Sector-wise NPAs	Refer Note No. 31 (N)
f) Movement of NPAs	Refer Note No. 31 (O)
iv) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)	The Company has no exposure or transaction with overseas assets.
v) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)	There are no off balance sheet exposure as on March 31, 2016 and March 31, 2015.
11. Disclosure of Complaints	Refer Note No. 31 (P)

**D) Capital to Risk-Assets ratio (CRAR)**

Particulars	31-Mar-16	31-Mar-15
i) CRAR (%)		
ii) CRAR - Tier I capital (%)	19.43	23.07
iii) CRAR - Tier II capital (%)	13.73	15.53
iv) Amount of subordinated debt raised as Tier - II Capital	5.70	7.54
v) Amount raised by issue of Perpetual Debt Instruments	40,00,00,000	-
	-	-

**E) Investment**

Particulars	31-Mar-16	31-Mar-15
1) Value of Investments		
i) Gross Value of Investments		
a) In India		
b) Outside India	-	36,00,000
ii) Provisions for Depreciation		
a) In India	-	-
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	-	-
b) Outside India	-	36,00,000
2) Movement of provisions held towards depreciation on investments.		
i) Opening balance	-	-
ii) Add : Provisions made during the year	-	-
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	-	-



**Annapurna Microfinance Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2016**

**F) The followings figures are being reported based on certificate issued by the auditors of the SPV**

Particulars	31-Mar-16	31-Mar-15
1 No of SPVs sponsored by the NBFC for securitisation transactions	15	15
2 Total amount of securitised assets as per books of the SPVs sponsored by the NBFC as on the balance sheet date (Rs. in lakhs)	15,163	6,804
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance Sheet		
a) Off-balance sheet exposures (Rs. in lakhs)		
• First loss		
• Others	1,872	933
b) On-balance sheet exposures	-	-
• First loss	-	-
• Others	-	-
4 Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
• First loss	-	-
• Others	-	-
ii) Exposure to third party securitisations	-	-
• First loss	-	-
• Others	-	-
b) On-balance sheet exposures	-	-
i) Exposure to own securitisations	-	-
• First loss	-	-
• Others	-	-
ii) Exposure to third party securitisations	-	-
• First loss	-	-
• Others	-	-

**G) Unsecured Advances**

Particulars	31-Mar-16	31-Mar-15
Portfolio loans	7,18,56,75,749	3,27,56,48,073

**H) Registration obtained from other financial sector regulators :**

Particulars
i. Ministry of Corporate Affairs

**I) Ratings assigned by credit rating agencies and migration of ratings during the year:**

A credit rating agency had assigned a grading of 'BBB' to the Company on March 11, 2016 (Previous Year: BBB minus)

**J) Provisions and Contingencies**

Break up of Provisions and Contingencies shown under the head Expenditure in Profit and Loss Account	31-Mar-16	31-Mar-15
i) Provisions for depreciation on Investment	-	-
ii) Provision towards NPA	-	-
iii) Provision made towards Income tax	3,71,209	11,80,593
iv) Other Provision and Contingencies (with details)	10,11,94,610	1,46,76,041
a) Provision for Gratuity		
b) Provision for Leave Benefit	23,77,603	7,87,081
c) Provision and loss on securitized / managed portfolio	4,14,989	-
d) Provision for insurance claims	7,58,883	1,57,914
v) Provision for Standard Assets	71,11,875	-
	3,87,29,067	2,17,56,748

**K) Concentration of Advances**

Particulars	31-Mar-16	31-Mar-15
Total advances to twenty largest borrowers	63,57,635	26,42,409
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.09%	0.08%

**L) Concentration of Exposures**

Particulars	31-Mar-16	31-Mar-15
Total Exposure to twenty largest borrowers / customers	63,57,635	26,42,409
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	0.09%	0.08%

**M) Concentration of NPA's**

Particulars	31-Mar-16	31-Mar-15
Total Exposure to top four NPA accounts	80,000	56,668



**Annapurna Microfinance Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2016**

**N) Sector-wise NPAs**

Sector	% of NPAs to total advances in that sector as at March 31, 2016	% of NPAs to total advances in that sector as at March 31, 2015
i) Agriculture & allied activities	0.06%	0.05%
ii) MSME	0.00%	0.00%
iii) Corporate borrowers	0.00%	0.00%
iv) Services	0.01%	0.04%
v) Unsecured personal loans	0.00%	0.00%
vi) Auto loans	0.00%	0.00%
vii) Other personal loans	0.00%	0.00%

**O) Movement of NPAs**

Particulars	31-Mar-16 %	31-Mar-15 %
i) Net NPAs to Net Advances (%)	0.02%	0.02%
ii) Movement of Net NPAs (Gross)		
a) Opening balance	33,22,498	16,06,274
b) Additions during the year	49,83,656	17,16,224
c) Reductions during the year	35,40,179	-
d) Closing balance	47,65,975	33,22,498
iii) Movement of Net NPAs		
a) Opening balance	5,35,631	-
b) Additions during the year	10,72,268	5,35,631
c) Reductions during the year	-	-
d) Closing balance	16,07,899	5,35,631
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	27,86,867	16,06,274
b) Provisions made during the year	39,11,388	11,80,593
c) Write-off / write-back of excessprovisions	35,40,179	-
d) Closing balance	31,58,076	27,86,867

**P) Disclosure of Complaints**

Particulars	31-Mar-16
i) No. of complaints pending at the beginning of the year	-
ii) No. of complaints received during the year	131
iii) No. of complaints redressed during the year	131
iv) No. of complaints pending at the end of the year	-

The Company has a Customer Grievance Redressal Mechanism for convenience of customers to register their complaints and for Company to monitor and redress them.



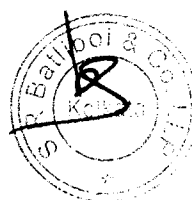
**Annapurna Microfinance Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2016**

**Q) Maturity Pattern of certain items of assets & liabilities**

( Amount in Rs. )

Particulars	1 day to 30/31 days (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowings	23,53,30,728 (12,19,78,413)	25,17,93,998 (15,65,45,133)	28,16,47,889 (13,70,28,608)	89,76,44,512 (47,25,74,326)	1,40,61,19,339 (81,96,21,011)	3,84,52,61,620 (1,67,41,00,980)	80,32,29,269 (29,30,41,671)	81,74,00,000 -	8,53,84,27,356 (3,67,48,90,142)
Total	23,53,30,728 (12,19,78,413)	25,17,93,998 (15,65,45,133)	28,16,47,889 (13,70,28,608)	89,76,44,512 (47,25,74,326)	1,40,61,19,339 (81,96,21,011)	3,84,52,61,620 (1,67,41,00,980)	80,32,29,269 (29,30,41,671)	81,74,00,000 -	8,53,84,27,356 (3,67,48,90,142)
<b>Assets</b>									
Advances (Portfolio Loan)*	37,43,07,116 (19,05,59,868)	43,04,91,639 (21,21,79,087)	42,55,46,495 (21,16,98,492)	1,22,61,48,670 (60,28,00,866)	2,14,79,22,190 (1,05,44,88,071)	2,57,81,01,563 (1,00,11,34,822)	-	-	7,18,25,17,673 (3,27,28,61,206)
Investments	- (36,00,000)	-	-	-	-	-	-	-	- (36,00,000)
Total	37,43,07,116 (19,41,59,868)	43,04,91,639 (21,21,79,087)	42,55,46,495 (21,16,98,492)	1,22,61,48,670 (60,28,00,866)	2,14,79,22,190 (1,05,44,88,071)	2,57,81,01,563 (1,00,11,34,822)	-	-	7,18,25,17,673 (3,27,64,61,206)

\* net of provision on NPA



**Annapurna Microfinance Private Limited**  
**Notes to financial statements for the year ended March 31, 2016**

**32.** Provision on loan portfolio aggregates Rs. 71,856,758/- ( March 31, 2015 Rs. 32,756,481/-), made as per NBFC-MFI regulations as stated in Note 2.1 (p).

**33. Due to micro, small and medium enterprises**

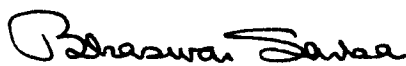
There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises. For the year ended March 31, 2016, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

**34. Prior year figures**

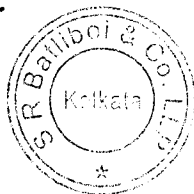
Previous year figures have been regrouped/reclassified, where necessary, to confirm to this year's classification.

**For S.R.Batliboi & Co. LLP**

Firm Registration No.301003E/E300005  
Chartered Accountants



**per Bhaswar Sarkar**  
Partner  
Membership No.: 55596



Place: Kolkata  
Date: June 21, 2016

**For and on behalf of the Board of Directors of  
Annapurna Microfinance Private Limited**

  
**Gobinda Chandra Pattanaik**  
Managing Director

  
**Dibyajyoti Pattanaik**  
Director

  
**Subrat Pradhan**  
Company Secretary

Place: Bhubaneswar  
Date: June 21, 2016

