

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of Annapurna Microfinance Private Limited

### **Report on the Interim Financial Statements**

We have audited the accompanying interim financial statements of Annapurna Microfinance Private Limited ("the Company"), which comprise the interim Balance Sheet as at September 30, 2016, the interim Statement of Profit and Loss and interim Cash Flow Statement for the six months period then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the preparation of these interim financial statements in accordance with basis of preparation as set out in note no.2 of the interim financial statements. The Company's Board of Directors is also responsible for maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 ("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 interim financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility for the Interim Financial Statements**

Our responsibility is to express an opinion on these interim financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, 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 interim financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the interim financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the interim 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 interim 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 interim 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 interim financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the accompanying interim financial statements have been prepared, in all material respects, in accordance with the basis of preparation as set out in note no.2 of the interim financial statements.

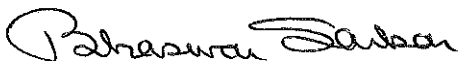
### **Other Matters - Restriction of Use**

The accompanying interim financial statements have been prepared, and this report thereon issued, solely for the purpose of internal use by management of the Company. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

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

Chartered Accountants

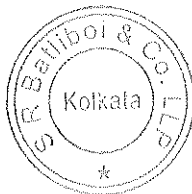
ICAI Firm Registration Number: 301003E/E300005



**per Bhaswar Sarkar**

Partner

Membership Number: 55596



Place of Signature: Kolkata

Date: November 30, 2016

**Annapurna Microfinance Private Limited**  
**Balance Sheet as at September 30, 2016**

	Notes	September 30, 2016	March 31, 2016
		(Rs.)	(Rs.)
<b>I. Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	41,34,92,180	36,38,11,550
Reserves and surplus	4	1,30,08,30,259	83,38,02,567
		1,71,43,22,439	1,19,76,14,117
<b>Non-current liabilities</b>			
Long-term borrowings	5	6,31,40,77,939	5,39,28,90,890
Deferred tax liabilities (net)	10	-	22,52,823
Other long-term liabilities	7	-	6,71,814
Long term provisions	6	2,63,92,128	2,58,12,325
		6,34,04,70,067	5,42,16,27,852
<b>Current liabilities</b>			
Other current liabilities	7	3,75,42,86,902	3,51,12,96,913
Short-term provisions	6	10,09,21,557	8,82,25,815
		3,85,52,08,459	3,59,95,22,728
<b>Total</b>		<b>11,91,00,00,965</b>	<b>10,21,87,64,697</b>
<b>II. Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	8	3,88,91,109	3,64,21,382
Intangible assets	9	73,88,284	33,55,737
Deferred tax assets (net)	10	1,26,585	-
Long term loans and advances	11	2,58,92,77,384	2,63,82,80,793
Other non-current assets	12	39,89,75,016	36,64,27,540
		3,03,46,58,378	3,04,44,85,452
<b>Current assets</b>			
Cash and bank balances	13	2,69,24,81,435	2,28,97,21,145
Short-term loans and advances	11	6,00,60,58,583	4,73,73,23,483
Other current assets	12	17,68,02,569	14,72,34,617
		8,87,53,42,587	7,17,42,79,245
<b>Total</b>		<b>11,91,00,00,965</b>	<b>10,21,87,64,697</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.Batiboi & Co. LLP**  
Firm Registration No.301003E/E300005  
Chartered Accountants

**per Bhaswar Sarkar**

Partner

Membership No.: 55596

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

**Gobinda Chandra Pattanaik**  
Managing Director

**Dibyajyoti Pattanaik**  
Director

**Subrata Pradhan**

**Subrat Pradhan**  
Company Secretary

Place: Kolkata  
Date: November 30, 2016

Place: Bhubaneshwar  
Date: November 30, 2016



**Annapurna Microfinance Private Limited**
**Statement of Profit and Loss for the six months ended September 30, 2016**

	Notes	Six Months Ended September 30, 2016 (Rs.)	Six Months Ended September 30, 2015 (Rs.)
<b>I. Income</b>			
Revenue from operations	14	1,05,32,61,980	57,76,49,535
Other income	15	11,05,20,396	3,84,64,030
<b>Total Income</b>		<b>1,16,37,82,376</b>	<b>61,61,13,565</b>
<b>II. Expenses</b>			
Employee benefit expenses	16	23,31,68,436	13,60,84,931
Depreciation and amortisation expense	19	96,75,749	61,07,090
Finance costs	17	58,20,24,260	30,19,36,347
Provision for standard and non performing assets	20	1,32,44,046	1,71,85,968
Other expenses	18	6,96,52,221	4,90,50,645
<b>Total Expenses</b>		<b>90,77,64,712</b>	<b>51,03,64,981</b>
<b>Profit before tax</b>		<b>25,60,17,664</b>	<b>10,57,48,584</b>
<b>Tax expense</b>			
- Current tax		9,06,05,508	4,33,59,349
- Deferred tax credit		(23,79,406)	(61,35,270)
<b>Total tax expenses</b>		<b>8,82,26,102</b>	<b>3,72,24,079</b>
<b>Profit for the year</b>		<b>16,77,91,562</b>	<b>6,85,24,505</b>
<b>Earning per equity share (EPS)- not annualised</b>	23		
Basic (Rs.)		4.78	2.45
Diluted (Rs.)		4.24	2.14
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

**per Bhaswar Sarkar**

Partner

Membership No.: 55596



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

**Gobinda Chandra Pattanaik**  
Managing Director

**Dibyajyoti Pattanaik**  
Director

**Subrat Pradhan**  
Subrat Pradhan  
Company Secretary



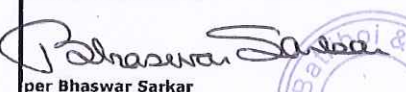

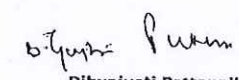

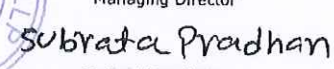

Place: Kolkata

Date: November 30, 2016

Place: Bhubaneswar

Date: November 30, 2016



Annapurna Microfinance Private Limited		
Cash Flow Statement for the six months ended September 30, 2016		
Particulars	September 30, 2016	September 30, 2015
	(Rs.)	(Rs.)
<b>A. Cash flow from operating activities</b>		
Profit before tax	25,60,17,664	10,57,48,584
Adjustment to reconcile profit before tax to net cash flows		
Depreciation expense	96,75,749	61,07,090
Provision for standard and non performing assets	1,20,01,561	1,71,85,968
Provision for Securitised/Managed Portfolio	12,42,485	
Profit on sale of current investments	(3,84,03,081)	(96,21,014)
Management stock option compensation	-	63,45,556
<b>Operating profit before working capital changes</b>	<b>24,05,34,378</b>	<b>12,57,66,184</b>
Movements in working capital:		
Increase in other current and non-current assets	(3,70,76,311)	(3,95,79,496)
Increase in loans and advances	(1,22,77,31,691)	(1,68,22,23,641)
Increase in other long term liabilities, current liabilities and provisions	(3,47,46,982)	(4,25,32,078)
<b>Cash generated from operations</b>	<b>(1,05,90,20,606)</b>	<b>(1,63,85,69,031)</b>
Direct taxes paid	(9,35,71,402)	(1,14,68,608)
<b>Net cash used in operating activities (A)</b>	<b>(1,15,25,92,008)</b>	<b>(1,65,00,37,639)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(1,61,78,024)	(1,55,35,206)
Sale / (Purchase) of current investments (net)	-	(12,00,000)
Increase in fixed deposits (net)	(5,99,14,529)	(1,41,88,146)
Profit on sale of current investments	3,84,03,080	96,21,014
<b>Net cash used in investing activities (B)</b>	<b>(3,76,89,473)</b>	<b>(2,13,02,338)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital	35,00,00,000	-
Proceeds from issuance of preference share capital	-	3,00,00,000
Proceeds from long-term borrowings (net)	1,20,12,49,599	1,39,13,22,710
Dividend paid on preference shares	(9,00,000)	(9,00,000)
Tax on preference dividend paid	(1,83,240)	(1,48,005)
<b>Net cash from financing activities (C)</b>	<b>1,55,01,66,359</b>	<b>1,42,02,74,705</b>
<b>Net Increase in cash and cash equivalents (A+B+C)</b>	<b>35,98,84,878</b>	<b>(25,10,65,272)</b>
Cash and cash equivalents at the beginning of the period	2,03,78,26,779	95,12,10,890
<b>Cash and cash equivalents at the end of the period</b>	<b>2,39,77,11,657</b>	<b>70,01,45,618</b>
<b>Components of cash and cash equivalents:</b>		
Balances with banks:		
on current accounts **	2,05,70,38,921	69,23,21,206
deposit with original maturity of less than three months	34,00,00,000	-
Cash on hand	6,72,736	78,24,412
<b>Total cash and cash equivalents (Note 13)*</b>	<b>2,39,77,11,657</b>	<b>70,01,45,618</b>
* Represents cash and bank balances as indicated in Note No.13 and excludes Rs. 674,071,414 (September 30, 2015: Rs. 373,510,986) being Fixed Deposits with restricted use and with original maturity of more than three months.		
** Includes Rs. 1,642,596 (September 30, 2015: Rs. Nil) 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.Batliloi & 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
	 Subrat Pradhan Company Secretary	
Place: Kolkata Date: November 30, 2016	Place: Bhubaneswar Date: November 30, 2016	

## **Annapurna Microfinance Private Limited**

### **Notes to the Financial Statements as at and for the six months ended September 30, 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 taking 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 for the interim period have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these interim financial statements solely for its internal purpose in accordance with recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting' specified under section 133 of the Companies Act 2013 ("the Act"), read with Rule 7 of the Companies (Account) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 and the provisions of the RBI as applicable to a NBFC-MFI and Systematically Important NBFC-ND. AS-25 requires that interim financial statements should be prepared applying the same accounting policies as are applied to the Company's annual financial statements as set out below.

The interim 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 periods.

##### **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.

Gain or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

#### **d. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

#### **e. Depreciation**

Depreciation 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.

Software are amortised over a period of six years.

#### **f. 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.



#### **g. 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.

#### **h. 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.

#### **i. 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 reporting period. 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 period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

#### **j. 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 period. Actuarial gains and losses for defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leaves are provided for based on actuarial valuation made at the end of each period.

#### **k. 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 period and reversal of timing differences for the earlier periods. 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.

#### **l. Earnings per share**

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

#### **m. 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.

#### **n. 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.

#### **o. 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.



**p. Classification of loan portfolio**

Loans are classified as follows:

Asset Classification	Period
Standard Assets	Current Loan and overdue upto 89 days
Non-Performing Assets	Overdue from 90 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.

**q. 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.

**r. 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.

**s. Corporate Social Responsibility (CSR) expenditure**

The payment 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 six months ended September 30, 2016**

3 Share capital	September 30, 2016 (Rs.)	March 31, 2016 (Rs.)
<b>Authorized Shares</b>		
38,000,000 (March 31, 2016: 38,000,000) equity shares of Rs.10/- each	38,00,00,000	38,00,00,000
5,000,000 (March 31, 2016: 5,000,000) preference shares of Rs.10/- each	5,00,00,000	5,00,00,000
<b>Issued, subscribed and fully paid-up shares</b>	<b>43,00,00,000</b>	<b>43,00,00,000</b>
36,349,218 (March 31, 2016: 31,381,155) equity shares of Rs.10/- each	36,34,92,180	31,38,11,550
2,000,000 (March 31, 2016: 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, 2016: 3,000,000) 0% Compulsory Convertible Preference Shares (CCPS) of Rs.10/- each	3,00,00,000	3,00,00,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>41,34,92,180</b>	<b>36,38,11,550</b>

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

Equity shares	September 30, 2016		March 31, 2016	
	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the period / year	3,13,81,155	31,38,11,550	2,41,95,074	24,19,50,740
Issued during the period / year	49,68,063	4,96,80,630	71,86,081	7,18,60,810
<b>Shares outstanding at the end of the period / year</b>	<b>3,63,49,218</b>	<b>36,34,92,180</b>	<b>3,13,81,155</b>	<b>31,38,11,550</b>

9% Optionally Convertible Preference Shares	September 30, 2016		March 31, 2016	
	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the period / year	20,00,000	2,00,00,000	20,00,000	2,00,00,000
Issued during the period / year	-	-	-	-
<b>Shares outstanding at the end of the period / 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	September 30, 2016		March 31, 2016	
	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the period / year	30,00,000	3,00,00,000	-	-
Issued during the period / year	-	-	-	-
<b>Shares outstanding at the end of the period / year</b>	<b>30,00,000</b>	<b>3,00,00,000</b>	<b>30,00,000</b>	<b>3,00,00,000</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) 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.



**Annapurna Microfinance Private Limited**  
**Notes to the Financial Statements as at and for the six months ended September 30, 2016**

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

Name of shareholder	September 30, 2016		March 31, 2016	
	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	17.31%	62,92,731	20.05%
RIF East 2 (Investor)*	85,68,497	23.57%	85,68,497	27.30%
Belgian Investment Company for Developing Countries	80,27,723	22.08%	80,27,723	25.58%
NV - SA (Investor)*	56,01,853	15.41%	56,01,853	17.85%
SIOBI Trustee Company Limited A/c ("Samridhi Fund") (Investor)*	18,24,151	5.02%	18,24,151	5.81%
DCB Bank Ltd.*	49,68,063	13.67%	-	0.00%
Oikocredit Ecumenical Development Cooperative Society U.A. (Investor)*	3,52,83,018	97.07%	3,03,14,955	96.60%
<b>Total</b>				
<b>Optionally Convertible Preference Shares of Rs. 10 each fully paid</b>				
Small Industries Development Bank of India	20,00,000	100.00%	20,00,000	100.00%
<b>Total</b>				
<b>Compulsory Convertible Preference Shares of Rs. 10 each fully paid</b>				
Pratap Chandra Dash on behalf of AIDS Awareness Trust of Orissa	30,00,000	100.00%	30,00,000	100.00%
<b>Total</b>				
	30,00,000	100.00%	30,00,000	100.00%

\* The classification is based on the records maintained by the Company and relied upon by the auditors.  
As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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

- For details of shares reserved for issue under the management stock option plan (MSOP) of the Company, please refer Note 25.
- 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.

**4 Reserves and surplus**

	September 30, 2016 (Rs.)	March 31, 2016 (Rs.)
<b>A. Securities premium account</b>		
Balance as per last year's financial statements	53,86,77,771	27,05,38,623
Add: Addition during the period / year	30,03,19,370	26,81,39,148
<b>Closing Balance</b>	<b>83,89,97,141</b>	<b>53,86,77,771</b>
<b>B. Management stock options outstanding</b>		
Gross management stock compensation for options granted in earlier years (Refer Note 25)	2,46,78,838	1,34,82,983
Add: gross compensation for options granted during the period / year	-	1,11,95,855
<b>Closing Balance</b>	<b>2,46,78,838</b>	<b>2,46,78,838</b>
<b>C. Statutory reserve</b>		
Balance as per last financial statements	5,60,71,747	1,96,91,969
Add: Amount transferred from surplus balance in the Statement of Profit & Loss during the period / year	3,35,58,312	3,63,79,778
<b>Closing Balance</b>	<b>8,96,30,059</b>	<b>5,60,71,747</b>
<b>D. Surplus in the Statement of Profit and Loss</b>		
Balance as per last financial statements	21,43,74,211	7,09,61,009
Profit for the period / year	16,77,91,562	18,10,98,890
Less: Appropriations		
Transferred to Statutory Reserve	3,35,58,312	3,63,79,778
Proposed Preference Dividend	9,00,000	18,00,000
Tax on Preference Dividend	1,83,240	3,05,910
<b>Total Appropriations</b>	<b>3,46,41,552</b>	<b>3,84,85,688</b>
<b>Net surplus in the Statement of profit and loss</b>	<b>34,75,24,221</b>	<b>21,43,74,211</b>
<b>Total</b>	<b>1,30,08,30,259</b>	<b>83,36,02,567</b>





Annappuma Microfinance Private Limited  
Notes to the Financial Statements as at and for the six months ended September 30, 2016

5	Long-term borrowings	Non Current Portion		Current Portion	
		September 30, 2016	March 31, 2016	September 30, 2016	March 31, 2016
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
A.	<b>Debentures (privately placed)</b>				
	<b>Secured</b>				
	- from Banks 12.55% Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each		-	1,99,99,800	4,99,99,500
	- from Financial Institutions (FIs) 13.00% - 14.75% Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each	2,94,09,00,000	2,34,09,00,000	7,30,00,000	7,30,00,000
	- from Non banking finance companies (NBFCs) 12.70% - 15.50% Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each	2,00,00,000	11,50,00,100	23,91,65,899	32,58,32,600
	<b>Unsecured</b>				
	- from NBFCs (subordinated)	55,00,00,000	30,00,00,000	-	-
B.	<b>Term loans</b>				
	<b>Secured</b>				
	- from Banks	1,83,35,41,298	1,76,04,32,521	2,20,66,07,711	1,88,23,33,112
	- from NBFCs	30,91,11,364	7,76,19,990	47,44,18,260	46,76,46,784
	- from FIs	51,81,63,000	67,71,82,340	41,13,72,000	34,55,38,660
	<b>Unsecured</b>				
	- from NBFCs (subordinated)	10,00,00,000	10,00,00,000	-	-
	- from FIs	4,12,00,000	2,00,00,000	-	-
C.	<b>Vehicle loans</b>				
	<b>Secured</b>				
	- from Banks	11,62,277	17,55,939	10,35,346	11,85,810
	<b>Total</b>	<b>6,31,40,77,939</b>	<b>5,39,28,90,890</b>	<b>3,42,55,99,016</b>	<b>3,14,55,36,466</b>
	Above amount includes				
	Secured				
	Unsecured	5,62,28,77,939	4,97,28,90,890	3,42,55,99,016	3,14,55,36,466
	Amount disclosed under the head "other current liabilities" (Refer Note 7)	69,12,00,000	42,00,00,000	-	-
	<b>Total</b>	<b>6,31,40,77,939</b>	<b>5,39,28,90,890</b>	<b>(3,42,55,99,016)</b>	<b>(3,14,55,36,466)</b>

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 September 30, 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 Installments	Amount (in Rupees)	No. of Installments	Amount (in Rupees)	No. of Installments	Amount (in Rupees)	No. of Installments	Amount (in Rupees)	No. of Installments	Amount (in Rupees)		
Non-Convertible Debentures												
Bullet repayment schedule												
From FIs*												
Above 3 Yrs. #	1	7,30,00,000	2	54,89,26,100	3	39,00,21,900	4	98,40,00,000	2	46,74,00,000	13.00% - 14.75%	2,46,34,00,000
From NBFCs:												
Above 3 Yrs.	-	-	1	15,45,00,000	1	39,60,00,000	-	-	-	-	-	55,05,00,000
From Banks:												
1-3 Yrs.	2	1,99,99,800	-	-	-	-	4	32,00,00,000	1	25,00,00,000	14.25% - 17.00%	57,00,00,000
Monthly repayment schedule												
From NBFCs:												
1-3 Yrs.	38	23,91,65,900	-	-	-	-	-	-	-	-	12.55%	1,89,89,800
Above 3 Yrs.	-	-	-	-	-	-	-	-	-	-	12.00% - 13.50%	23,91,65,900
Term Loans												
Monthly repayment schedule												
From Banks:												
1-3 Yrs.	246	1,11,63,39,252	192	74,04,83,922	38	12,04,07,482	-	-	-	-	11.75% - 13.25%	1,97,72,30,656
Above 3 Yrs.	93	21,88,98,071	82	20,30,98,010	45	12,87,28,318	13	3,85,94,944	-	-	12.40% - 13.70%	56,93,20,343
From FIs:												
1-3 Yrs.	36	21,13,72,000	26	16,81,63,000	6	5,00,00,000	-	-	-	-	-	42,95,35,000
From NBFCs:												
1-3 Yrs.	101	35,27,48,264	46	17,07,99,430	20	6,39,11,934	-	-	-	-	10.10% - 15.00%	58,68,59,628
Quarterly repayment schedule												
From Banks:												
1-3 Yrs.	52	87,13,70,390	34	58,55,60,954	2	1,66,66,668	-	-	-	-	11.30% - 13.65%	1,47,35,98,012
From NBFCs:												
1-3 Yrs.	10	12,16,69,992	4	7,50,00,000	-	-	-	-	-	-	12.25% - 15.00%	19,66,69,992
Bullet repayment schedule												
From NBFCs:												
Above 3 Yrs.	-	-	-	-	-	-	2	10,00,00,000	-	-	16.50%	10,00,00,000
From FIs:												
1-3 Yrs.	-	-	6	4,12,00,000	-	-	-	-	-	-	2.00%	4,12,00,000
Half Yearly repayment schedule												
From FIs:												
1-3 Yrs.	2	20,00,00,000	2	20,00,00,000	1	10,00,00,000	-	-	-	-	11.50%	50,00,00,000
Grand Total		3,42,45,63,670		2,88,71,84,416		1,26,57,36,302		1,44,25,94,944		71,74,00,000		9,73,74,79,332

1. The above non-convertible debentures are secured by way of exclusive charge on all receivable from underlying portfolio loans, in accordance with the respective debenture term sheets. The debentures are also further secured by pari passu charge on the land of the Company situated at Sriperumbudur Taluk, Kanchipuram District.

(\*) Includes outstanding debenture of Rs. 292,000,000 having the following redemption option date:

i) 25% (Rs. 73,000,000) of the outstanding amount by November 13, 2017, 99.99% of the balance amount (Rs. 218,978,100) by May 13, 2019.

(ii) 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. 394,000,000) 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, otherwise 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. 386,000,000) of the outstanding principal amount by December 04, 2018.

\*\* 2. The Company can redeem the debentures in whole or in part before the due date by paying a 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 underlying portfolio loans and margin money deposits, where applicable. In accordance with the respective loan agreements.

4. Term loans outstanding Rs. 2,672,790,594/- are also guaranteed by promoter directors of the company.

# Includes outstanding debenture of Rs. 292,000,000 out of which Rs. 73,000,000 has been reclassified to "due within 1 year", and Rs. 218,978,100 to "due between 1 to 2 years" due to the call option mentioned above in point no. (1)(a)





5B Long-term borrowings (Contd.)

Terms of repayment of Debentures & Term Loans as on March 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 Installments	Amount (in Rupees)	No. of Installments	Amount (in Rupees)	No. of Installments	Amount (in Rupees)	No. of Installments	Amount (in Rupees)	No. of Installments	Amount (in Rupees)		
Non-Convertible Debentures												
Bullet repayment schedule												
From FIs*												
Above 3 Yrs #	1	7,30,00,000	1	21,89,76,100	3	72,00,00,000	2	38,40,21,900	2	48,74,00,000	13.70% - 14.75%	1,86,34,00,000
From NBFCs:												
Above 3 Yrs.	-	-	-	-	-	-	2	7,00,00,000	2	26,00,00,000	14.90% - 17.00%	32,00,00,000
From FIs*												
1-3 Yrs.	-	-	1	15,45,00,000	1	39,60,00,000	-	-	-	-	13.80% - 13.75%	55,05,00,000
BI monthly repayment schedule**												
From Banks:												
1-3 Yrs.	5	4,99,99,500	-	-	-	-	-	-	-	-	12.55%	4,99,99,500
Monthly repayment schedule												
From NBFCs:												
1-3 Yrs.	55	32,58,12,600	14	9,50,00,100	-	-	-	-	-	-	12.70% - 14.00%	42,08,32,700
Above 3 Yrs.	-	-	-	-	-	-	-	-	-	-	-	-
Term Loans												
Monthly repayment schedule												
From Banks:												
1-3 Yrs.	237	1,07,43,89,174	170	71,20,67,438	67	19,72,31,856	-	-	-	-	11.70% - 13.50%	1,98,36,88,468
Above 3 Yrs.	70	14,13,97,060	71	14,61,99,141	47	10,52,17,181	22	5,72,29,269	-	-	12.40% - 13.90%	45,00,42,551
From FIs:												
1-3 Yrs.	29	14,55,38,660	36	19,13,49,007	13	8,59,31,333	-	-	-	-	12.50% - 13.50%	42,27,21,000
From NBFCs:												
1-3 Yrs.	113	40,42,10,715	21	6,26,19,998	-	-	-	-	-	-	10.10% - 16.00%	46,69,30,783
Quarterly repayment schedule												
From Banks:												
1-3 Yrs.	56	65,65,46,278	31	50,92,59,957	4	3,32,27,679	-	-	-	-	11.30% - 13.65%	1,20,90,34,514
From NBFCs:												
1-3 Yrs.	8	8,33,35,993	2	1,49,99,992	-	-	-	-	-	-	14.50% - 15.00%	7,83,35,991
Bullet repayment schedule												
From NBFCs:												
Above 3 Yrs.	-	-	-	-	-	-	-	-	2	10,00,00,000	16.50%	10,00,00,000
From FIs:												
Half Yearly repayment schedule												
1-3 Yrs.	-	-	4	1,33,33,333	2	66,66,667	-	-	-	-	2.00%	2,00,00,000
From FIs:												
1-3 Yrs.	2	20,00,00,000	2	20,00,00,000	2	20,00,00,000	-	-	-	-	11.50%	60,00,00,000
Grand Total		3,14,43,50,656		2,31,83,07,085		1,74,47,76,716		51,12,51,169		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. In accordance with the respective debenture term sheets. The debentures are also further secured by pari passu charge on the land of the Company situated at Sriperumbudur Taluk, Kanchipuram District.

(a) Includes outstanding debenture of Rs. 292,00,00,000 having the option to debenture holder to exercise either of the following redemption option date:

i) 25% (Rs. 73,00,00,000) 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. 73,00,00,000) of the outstanding principal amount by November 13, 2018 and the remaining balance (Rs. 219,00,00,000) by May 13, 2019.

(b) Includes outstanding debenture of Rs. 1,377,00,00,000 wherein debenture holder / company have the option to exercise the following redemption date:

i) 100% (Rs. 384,00,00,000) of the outstanding principal amount by May 28, 2018.

ii) 100% (Rs. 330,00,00,000) at the end of 3 years (13th September, 2018). If partial option exercised, other wise 100% at the end of 4 years (13th September, 2019).

iii) 100% (Rs. 267,00,00,000) of the outstanding principal amount by December 10, 2018.

iv) 100% (Rs. 396,00,00,000) of the outstanding principal amount by December 04, 2018.

\*\* 2. The Company can redeem the debentures in part 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 underlying portfolio loans and margin money deposits, where applicable, in accordance with the respective loan agreements.

4. Term loans outstanding Rs. 2,669,992,337/- are also guaranteed by promoter directors of the company.

¶ Includes outstanding debenture of Rs. 292,00,00,000 out of which Rs. 73,00,00,000 has been reclassified to "due within 1 year" and Rs. 218,978,100 to "due between 1 to 2 years" due to the call option mentioned above in point no.1(i).



**Annapurna Microfinance Private Limited**  
**Notes to the Financial Statements as at and for the six months ended September 30, 2016**

6	Provisions	Non Current Portion		Current Portion	
		September 30, 2016	March 31, 2016	September 30, 2016	March 31, 2016
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
A.	Provision for portfolio loans				
	On standard assets	1,70,96,313	2,26,54,249	5,85,53,608	4,60,44,433
	On non performing assets	82,08,398	31,58,076	-	-
		<b>2,53,04,711</b>	<b>2,58,12,325</b>	<b>5,85,53,608</b>	<b>4,60,44,433</b>
B.	Others				
	Provision for taxation (Net of advance tax Rs. 158,678,258) (March 31, 2016: Rs. 65,106,856)	-	-	3,65,14,112	3,94,80,006
	Provision for securitized and managed portfolio	-	-	21,59,282	9,16,797
	Provision for gratuity	10,87,417	-	20,86,698	13,69,590
	Provision for leave encashment	-	-	16,07,857	4,14,989
		<b>10,87,417</b>	<b>-</b>	<b>4,23,67,949</b>	<b>4,21,81,382</b>
	<b>Total</b>	<b>2,63,92,128</b>	<b>2,58,12,325</b>	<b>10,09,21,557</b>	<b>8,82,25,815</b>

7	Other liabilities	Non Current Portion		Current Portion	
		September 30, 2016	March 31, 2016	September 30, 2016	March 31, 2016
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
	Current maturities of long-term borrowings (Refer Note 5)	-	-	3,42,55,99,016	3,14,55,36,466
	Interest accrued but not due on borrowings	-	-	15,17,67,081	12,55,31,381
	Cash profit on loan transfer transactions pending recognition	-	6,71,814	28,14,400	75,97,504
	Payable for portfolio loan securitised	-	-	8,68,06,398	12,51,92,797
	Payable on Corporate Social Responsibility activities	-	-	55,20,588	55,20,588
	Salary payable	-	-	4,31,73,761	1,68,54,334
	Dividend on preference shares	-	-	9,00,000	18,00,000
	Dividend distribution tax payable	-	-	1,83,240	3,05,910
	Statutory dues payable	-	-	74,81,770	77,01,090
	Insurance premium payable	-	-	2,00,12,434	4,70,89,915
	Advance from banks (pending disbursement) (Refer Note 30)	-	-	16,42,596	1,60,64,773
	Other payables	-	-	83,85,618	1,21,02,155
	<b>Total</b>	<b>-</b>	<b>6,71,814</b>	<b>3,75,42,86,902</b>	<b>3,51,12,96,913</b>

10	Deferred tax assets / (liabilities) (net)	September 30, 2016	March 31, 2016
		(Rs.)	(Rs.)
	<b>Deferred tax assets</b>		
	Provision for standard, non-performing assets and securitised / managed portfolio	2,80,22,776	2,51,86,927
	Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	16,18,507	10,35,069
	Impact of expenditure charged to the statement of profit and loss in the current period / year but allowed for tax purposes on payment basis	52,21,148	30,79,063
	<b>Deferred tax liabilities</b>	<b>3,48,62,432</b>	<b>2,93,01,059</b>
	Unamortised processing fees on borrowings	(3,47,35,847)	(3,15,53,882)
	<b>Net deferred tax assets / (liabilities)</b>	<b>1,26,585</b>	<b>(22,52,823)</b>





Annapurna Microfinance Private Limited  
Notes to the Financial Statements as at and for the six months ended September 30, 2016

8. TANGIBLE ASSETS :

Cost or Valuation	Furniture & Fixtures	Computers	Office Equipments	Vehicles	Freehold Land	Total
At 31st March 2015	98,73,621	93,96,826	69,80,433	39,21,073	-	3,01,71,953
Additions	65,32,257	1,12,28,968	84,13,968	28,00,980	13,50,800	3,03,26,973
Disposals	-	-	-	-	-	-
At 31st March 2016	1,64,05,878	2,06,25,794	1,53,94,401	67,22,053	13,50,800	6,04,98,926
Additions	41,14,765	32,50,255	41,79,481	-	-	1,15,44,501
Disposals	-	-	-	8,00,920	-	8,00,920
At 30th September 2016	2,05,20,643	2,38,76,049	1,95,73,882	59,21,133	13,50,800	7,12,42,507
Depreciation						
At 31st March 2015	21,00,907	42,61,737	24,18,042	12,79,797	-	1,00,60,483
Charge For the Period	29,12,195	69,56,627	33,20,862	8,27,377	-	1,40,17,061
Disposals	-	-	-	-	-	-
At 31st March 2016	50,13,102	1,12,18,364	57,38,904	21,07,174	-	2,40,77,544
Charge For the Period	17,12,903	31,06,966	28,56,722	6,02,559	-	82,79,149
Disposals	-	-	-	5,295	-	5,295
At 30th September 2016	67,26,005	1,43,25,330	85,95,626	27,04,438	-	3,23,51,398
Net Block						
At 31st March 2016	1,13,92,776	94,07,430	96,55,497	46,14,879	13,50,800	3,64,21,382
At 30th September 2016	1,37,94,638	95,50,719	1,09,78,256	32,16,695	13,50,800	3,88,91,109

9. INTANGIBLE ASSETS

Cost or Valuation	Software
At 31st March 2015	21,72,256
Additions	31,60,000
Disposals	-
At 31st March 2016	53,32,256
Additions	54,34,442
Disposals	-
At 30th September 2016	1,07,66,698
Amortization	
At 31st March 2015	9,33,547
Charge For the Period	10,42,972
Disposals	-
At 31st March 2016	19,76,519
Charge For the Period	14,01,895
Disposals	-
At 30th September 2016	33,78,414
Net Block	
At 31st March 2016	33,55,737
At 30th September 2016	73,88,284



**Annapurna Microfinance Private Limited**
**Notes to the Financial Statements as at and for the six months ended September 30, 2016**

11. Loans and advances (Unsecured, considered good unless stated otherwise)	Non-Current Portion		Current Portion	
	September 30, 2016	March 31, 2016	September 30, 2016	March 31, 2016
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>A. Portfolio loans</b>				
Considered good	2,52,08,39,430	2,57,64,66,519	5,85,53,60,780	4,60,44,43,255
Considered doubtful	96,31,622	47,65,975	-	-
	<b>2,53,04,71,052</b>	<b>2,58,12,32,494</b>	<b>5,85,53,60,780</b>	<b>4,60,44,43,255</b>
<b>B. Advances recoverable in cash or kind</b>	-	-	3,94,67,459	1,76,95,180
	-	-	<b>3,94,67,459</b>	<b>1,76,95,180</b>
<b>C. Security Deposit</b>	12,50,000	12,50,000	47,25,200	36,78,000
	<b>12,50,000</b>	<b>12,50,000</b>	<b>47,25,200</b>	<b>36,78,000</b>
<b>D. Others</b>				
Prepaid Expenses	4,32,79,925	4,21,99,110	5,70,83,690	4,89,70,732
Loan to staff	13,60,218	28,40,750	31,79,143	32,58,631
Centrat Credit receivable	-	-	2,42,311	2,77,685
Margin Money with Public Financial Institutions (marked as lien towards term loans availed)	80,00,000	30,00,000	4,60,00,000	5,90,00,000
Advance Income Tax (Net of provision for tax Rs. 7,087,019) (March 31, 2016 : Rs. 9,929,269)	49,16,189	77,58,439	-	-
	<b>5,75,56,332</b>	<b>5,57,98,299</b>	<b>10,65,05,144</b>	<b>11,15,07,048</b>
<b>Total</b>	<b>2,58,92,77,384</b>	<b>2,63,82,80,793</b>	<b>6,00,60,58,583</b>	<b>4,73,73,23,483</b>

12. Other assets (Unsecured, considered good unless stated otherwise)	Non-Current Portion		Current Portion	
	September 30, 2016	March 31, 2016	September 30, 2016	March 31, 2016
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Non current bank balances (Refer Note 13)	37,93,01,636	35,42,62,519	-	-
	<b>37,93,01,636</b>	<b>35,42,62,519</b>	-	-
<b>Others</b>				
Interest accrued but not due on portfolio loans	-	-	12,58,84,400	10,54,89,485
Interest accrued but not due on deposits placed with banks and financial institutions	1,96,73,380	1,21,65,021	2,76,66,480	2,54,04,023
Other receivables (Net of Provision - Rs. 103,03,690/-) (Previous Year : 7,111,875/-)*	-	-	2,32,51,689	1,63,41,109
	<b>1,96,73,380</b>	<b>1,21,65,021</b>	<b>17,68,02,569</b>	<b>14,72,34,617</b>
<b>Total</b>	<b>39,89,75,016</b>	<b>36,64,27,540</b>	<b>17,68,02,569</b>	<b>14,72,34,617</b>

\*represents amount receivable in respect of deceased borrowers / nominees of the borrowers.

13. Cash and bank balances	Non-Current Portion		Current Portion	
	September 30, 2016	March 31, 2016	September 30, 2016	March 31, 2016
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>Cash and cash equivalents</b>				
Balances with banks:				
-on current accounts	-	-	2,05,70,38,921	1,93,53,82,012
-deposit with original maturity of less than three months	-	-	34,00,00,000	9,99,99,958
Cash on hand	-	-	6,72,736	24,44,809
	-	-	<b>2,39,77,11,657</b>	<b>2,03,78,26,779</b>
<b>Other bank balances</b>				
Deposit with original maturity for more than 3 months but not more than 12 months	-	-	7,36,30,671	4,53,70,937
Deposit with original maturity for more than 12 months	37,93,01,636	35,42,62,519	22,11,39,107	20,65,23,429
	<b>37,93,01,636</b>	<b>35,42,62,519</b>	<b>29,47,69,778</b>	<b>25,18,94,366</b>
Amount disclosed under non-current assets (Refer Note 12)	(37,93,01,636)	(35,42,62,519)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,69,24,81,435</b>	<b>2,28,97,21,145</b>

i) Includes deposit certificates of Rs. 674,071,414 (March 31, 2016: Rs. 606,156,885) 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. 1,642,596 (March 31, 2016: 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 six months ended September 30, 2016

14 Revenue from operations	Six Months Ended September 30, 2016	Six Months Ended September 30, 2015
	(Rs.)	(Rs.)
Interest income on portfolio loans	89,33,62,398	51,53,73,097
Upfront processing Fees	4,88,82,863	3,38,22,750
Income from securitisation	11,10,16,719	2,84,53,688
<b>Total</b>	<b>1,05,32,61,980</b>	<b>57,76,49,535</b>

15 Other Income	Six Months Ended September 30, 2016	Six Months Ended September 30, 2015
	(Rs.)	(Rs.)
Interest Income on fixed deposits with banks and others	3,46,23,992	2,01,75,251
Profit on sale of current investments	3,84,03,081	96,21,014
Service Fees Income (Refer Note No. 30)	3,67,03,269	86,40,212
Miscellaneous income	7,90,054	27,553
<b>Total</b>	<b>11,05,20,396</b>	<b>3,84,64,030</b>

16 Employee benefit expenses	Six Months Ended September 30, 2016	Six Months Ended September 30, 2015
	(Rs.)	(Rs.)
Salaries and bonus	20,83,10,105	11,72,88,722
Contributions to provident fund and others	1,54,05,484	82,11,048
Management stock option compensation (Refer Note 25)	-	63,45,556
Gratuity expenses (Refer Note 24)	34,77,744	12,63,938
Leave encashment expenses	11,92,868	13,29,770
Staff welfare expenses	47,82,235	16,45,897
<b>Total</b>	<b>23,31,68,436</b>	<b>13,60,84,931</b>

17 Finance costs	Six Months Ended September 30, 2016	Six Months Ended September 30, 2015
	(Rs.)	(Rs.)
Interest expense	55,34,50,044	28,42,46,208
Other borrowing costs	2,85,74,216	1,76,90,139
<b>Total</b>	<b>58,20,24,260</b>	<b>30,19,36,347</b>



**Annapurna Microfinance Private Limited**  
**Notes to the Financial Statements as at and for the six months ended September 30, 2016**

18 Other expenses	Six Months Ended September 30, 2016	Six Months Ended September 30, 2015
	(Rs.)	(Rs.)
Rent	1,43,91,461	89,75,306
Rates and taxes	3,12,002	11,46,368
Repairs & maintenance		
- Office maintenance		
Office Expenses	23,97,240	16,93,156
Director sitting fees	59,97,760	41,47,629
Travelling and conveyance	51,000	60,000
Communication expenses	81,14,661	70,11,849
Printing & stationery	78,53,692	39,02,682
Legal and professional fees	39,07,607	2,46,986
Payment to auditors ( refer details below )	1,14,67,648	95,09,899
Advertisement	12,50,000	12,50,000
Training & meeting expenses	6,88,202	6,21,611
Electricity charges	60,85,825	23,22,828
Provision for other receivables	20,69,196	12,26,548
Provision for CSR activities	31,91,816	39,51,805
Miscellaneous expenses		14,03,665
	18,74,111	15,80,313
<b>Total</b>	<b>6,96,52,221</b>	<b>4,90,50,645</b>

Payment to auditors	Six Months Ended September 30, 2016	Six Months Ended September 30, 2015
	(Rs.)	(Rs.)
As auditor:		
Audit fee	12,00,000	12,00,000
In other capacity		
Other services (certification fees)	-	-
Reimbursement of expenses (Including service tax)	50,000	50,000
	<b>12,50,000</b>	<b>12,50,000</b>

19 Depreciation and amortisation expense	Six Months Ended September 30, 2016	Six Months Ended September 30, 2015
	(Rs.)	(Rs.)
Depreciation on tangible assets	82,73,854	52,22,249
Amortisation on Intangible assets	14,01,895	8,84,841
	<b>96,75,749</b>	<b>61,07,090</b>

20 Provision for standard and non performing assets	Six Months Ended September 30, 2016	Six Months Ended September 30, 2015
	(Rs.)	(Rs.)
Contingent provision against standard assets	69,51,239	1,61,25,180
Provision for non-performing assets	50,50,322	5,44,503
Provision and loss on securitized / managed portfolio	12,42,485	5,16,285
	<b>1,32,44,046</b>	<b>1,71,85,968</b>





**Annapurna Microfinance Private Limited**

**Notes to the Financial Statements as at and for the six months ended September 30, 2016**

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

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

Particulars	30-Sep-16 (Rs.)	31-Mar-16 (Rs.)
Total book value of the loans securitised during the period / year (A)	91,63,45,667	1,69,13,69,089
Sale consideration received for the loans securitised during the period / year (B)	91,63,45,667	1,70,00,92,008
Gain on securitisation (B-A)	-	87,22,919
Portfolio loan securitised and outstanding	1,58,82,05,251	1,36,20,34,649
<b>Credit enhancements provided and outstanding:</b>		
Principal subordination	8,05,44,459	5,82,99,619
Cash collateral	13,24,27,915	12,88,78,207
	<b>Period ended September 30, 2016</b>	<b>Period ended September 30, 2015</b>
Income from asset securitisation recognised in the statement of profit and loss	11,10,16,719	2,84,53,688

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'. The Company operates in a single geographical segment i.e. India.

**23 Earnings per share (EPS)**

Particulars	30-Sep-16	30-Sep-15
Net Profit after tax (Rs.)	16,77,91,562	6,85,24,505
Less: Dividend on 9% Optionally Convertible Preference Shares and tax thereon (Rs.)	10,83,240	10,48,005
Net Profit for calculation of basic EPS (Rs.)	16,67,08,322	6,74,76,500
Net Profit for calculation of diluted EPS (Rs.)	16,77,91,562	6,85,24,505
Weighted average number of equity shares in calculating basis EPS	3,48,83,232	2,75,05,993
Effect of dilution:		
Expected Shares to be granted under MSOP and on conversion of preference share *	46,45,837	47,10,966
Weighted average number of equity shares in calculating diluted EPS	3,95,29,069	3,22,16,959
Earning per share (not annualised):		
Basic (Rs.)	4.78	2.45
Diluted (Rs.)	4.24	2.14



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	30-Sep-16	31-Mar-16
<b>Assumptions:</b>		
Discount Rate	7.10%	8.00%
Salary Escalation	7.00%	7.00%
Expected Rate of Return on Assets	7.10%	8.00%
Expected Average Remaining Working Life of Employees (Years)	30.06	30.16
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 period / year	(Rs.) 39,40,702	(Rs.) 14,73,957
Interest cost	2,05,979	2,17,180
Current service cost	18,50,497	20,42,873
Actuarial loss on obligations	15,71,942	2,06,692
Present value of defined benefit obligations as at end of the period / year	75,69,120	39,40,702
<b>Table showing fair value of plan assets:</b>		
Fair value of plan assets at beginning of the period / year	25,71,112	17,31,970
Expected return on plan assets	1,24,665	1,72,123
Contributions	16,73,219	7,50,000
Actuarial gain / (loss) on plan assets	26,009	(82,981)
Fair value of plan assets at end of the period / year	43,95,005	25,71,112
<b>Actuarial (Gain)/Loss recognised:</b>		
Actuarial loss on obligations	15,71,942	2,06,692
Actuarial (gain) / loss on plan assets	(26,009)	82,981
Actuarial loss recognised in the period / year	15,45,933	2,89,673
<b>The amounts to be recognised in the Balance Sheet:</b>		
Present value of obligations at the end of the period / year	75,69,120	39,40,702
Fair value of plan assets at the end of the period / year	43,95,005	25,71,112
Net liability recognised in balance sheet	(31,74,115)	(13,69,590)
<b>Expenses Recognised in statement of Profit and Loss:</b>		
Current Service Cost		
Interest Cost	18,50,497	20,42,873
Expected return on Plan assets.	2,05,979	2,17,180
Net Actuarial loss recognised in the period / year	1,24,665	1,72,123
Expenses recognised in statement of profit and loss	15,45,933	2,89,673
Actual return on plan assets	34,77,744	23,77,603
	1,50,674	89,142

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

Particulars	As on 31st September, 2016	As on 31st March, 2016	As on 31st March, 2015
Defined Benefit Obligations	75,69,120	39,40,702	14,73,957
Plan Assets	43,95,005	25,71,112	17,31,970
Surplus/(Deficit)	(31,74,115)	(13,69,590)	2,58,013
Experience adjustments on plan liabilities [(Gain)/Loss]	10,98,850	1,69,160	-
Experience adjustments on plan assets [Gain/(Loss)]	26,009	(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 30th September, 2016	As on 31st March, 2016	As on 31st March, 2015
Insurance Managed Fund	100%	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.2,086,698 (March 31, 2016: (Rs.2,252,716)) to gratuity fund in 2016-17.

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. 15,405,484 (March 31, 2016: Rs. 14,059,873).





**Annapurna Microfinance Private Limited**  
**Notes to the Financial Statements as at and for the six months ended September 30, 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 September 30, 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	30-Sep-16		31-Mar-16	
	No. of Options	Exercise Price (Rs.)	No. of Options	Exercise Price (Rs.)
Outstanding at the beginning of the period / year	1,64,060.00	2.50	1,64,060.00	2.50
Granted During the period / year	-	-	-	-
Forfeited During the period / year	-	-	-	-
Exercised During the period / year	-	-	-	-
Expired During the period / year	-	-	-	-
Outstanding at the end of the period / year	1,64,060.00	2.50	1,64,060.00	2.50
Exercisable at the end of the period / year	1,64,060.00	2.50	1,64,060.00	2.50
Weighted Average Remaining Contractual Life in Years	-	-	-	-

**MSOP- Series B**

Particulars	30-Sep-16		31-Mar-16	
	No. of Options	Exercise Price (Rs.)	No. of Options	Exercise Price (Rs.)
Outstanding at the beginning of the period / year	13,31,581.12	5.00	8,73,850.00	5.00
Granted During the period / year	-	-	4,57,731.12	5.00
Forfeited During the period / year	-	-	-	-
Exercised During the period / year	-	-	-	-
Expired During the period / year	-	-	-	-
Outstanding at the end of the period / year	13,31,581.12	5.00	13,31,581.12	5.00
Exercisable at the end of the period / year	13,31,581.12	5.00	13,31,581.12	5.00
Weighted Average Remaining Contractual Life in Years	-	-	-	-

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

Particulars	Six months ended September 30, 2016	Six months ended September 30, 2015
Stock option expenditure for Key Managerial Person	-	44,41,889
Stock option expenditure for Employees	-	19,03,667
Total compensation cost pertaining to equity-settled employee share based payment	-	63,45,556

Particulars	September 30, 2016	March 31, 2016
Stock options outstanding (gross)	2,46,78,838	2,46,78,838
Deferred compensation cost outstanding	-	-
Stock options outstanding (net)	2,46,78,838	2,46,78,838

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.



26 Loan portfolio and provision for standard and non-performing assets as at September 30, 2016:

Asset classification	Portfolio loans outstanding (Gross)		Provision for standard and non-performing assets			Portfolio loans outstanding (Net)	
	As at September 30, 2016	As at March 31, 2016	As at March 31, 2016	Provision Made during the period	Provision written back during the period	As at September 30, 2016	As at March 31, 2016
Standard assets	8,37,62,00,210	7,18,09,09,774	6,86,98,682	69,51,238	-	8,30,05,50,290	7,11,22,11,092
Non-Performing assets	96,31,622	47,65,975	31,58,076	50,50,322	-	14,23,224	16,07,899
<b>Total</b>	<b>8,38,58,31,832</b>	<b>7,18,56,75,749</b>	<b>7,18,56,758</b>	<b>1,20,01,559</b>	<b>-</b>	<b>8,30,19,73,514</b>	<b>7,11,38,18,991</b>

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, 2015
Standard assets	7,18,09,09,774	3,27,23,25,575	2,99,69,614	3,87,29,068	-	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	-	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>7,11,38,18,991</b>	<b>3,24,28,91,592</b>

Provision on loan portfolio made as per NBFC-MFI regulations.





**Annapurna Microfinance Private Limited**

Notes to the Financial Statements as at and for the six months ended September 30, 2016

**27 Related party disclosures**

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

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

**ii) Nature of transactions**

Particulars	30-Sep-16		30-Sep-15	
	(Rs.) Transaction Value	(Rs.) Balance Outstanding	(Rs.) Transaction Value	(Rs.) Balance Outstanding
<b>(I) Key management personnel</b>				
Salary, incentives and perquisites				
Mr. Gobinda Chandra Pattanalk*	27,66,334	-	17,00,002	-
Mr. Dibyajyoti Pattanalk*	11,70,146	-	8,64,202	-
Mr. Subrat Pradhan*	4,21,852	-	3,21,164	-
<b>Total</b>	<b>43,58,332</b>	<b>-</b>	<b>28,85,368</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. 1,43,91,461 (September 30, 2015: Rs. 89,75,306).

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

Description	Six months ended Sep 30, 2016 (Rs.)	Six months ended Sep 30, 2015 (Rs.)
Travelling Expenses	-	11,14,647

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

i) 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.

ii) the Company provides services in connection with recovery and monitoring of such loans.

iii) 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	September 30, 2016 (Rs.)	March 31, 2016 (Rs.)
Amount from banks (pending disbursement) - opening balance	1,60,64,773	3,19,60,115
Amount received from banks for disbursement of loan during the period / year	30,63,25,000	74,29,58,000
Loan disbursed during the period / year	31,21,44,000	75,50,05,516
Amount yet to be disbursed on behalf of business correspondence partners during the period / year	16,42,596	1,60,64,773
Amount disbursed on behalf of business correspondence partners and shown as receivable as on reporting date (Net of receivable from bank)	39,96,104	-
<b>Credit enhancements provided and outstanding:</b>		
Cash collateral	3,65,00,000	3,55,00,000

Particulars	Six months ended September 30, 2016 (Rs.)	Six months ended September 30, 2015 (Rs.)
Service Fee Income recognised during the period	3,67,03,269	86,40,212



**Annapurna Microfinance Private Limited**

**Notes to the Financial Statements as at and for the six months ended September 30, 2016**

**31. 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 period ended September 30, 2016, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

**32. Prior year figures**

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


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

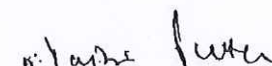
Firm Registration No.301003E/E300005  
Chartered Accountants

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



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

  
**Gobinda Chandra Pattanaik**  
Managing Director

  
**Dibyajyoti Pattanaik**  
Director

**Subrata Pradhan**

**Subrat Pradhan**  
Company Secretary

Place: Bhubaneswar  
Date: November 30, 2016



Place: Kolkata  
Date: November 30, 2016