



financing livelihood



ANNAPURNA MICROFINANCE PVT LTD
Annual Report 2016



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VISION

Establishment of a self -sustainable
and economically empowered rural,
tribal & sub-urban society.



MISSION

EMPOWERMENT OF 10,00,000 POOR WOMEN and households for their economic security by 2018. Bring recognition, legitimacy, respect and opportunity for **2,50,000 MICRO-ENTREPRENEURS BY 2018.**



GOAL

Increase availability of wider range of micro finance services & improve ability of **10,00,000 POOR WOMEN FOR EFFICIENT USE OF SUCH SERVICES BY THE YEAR 2018.**



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Mr. Gobinda Chandra Pattanaik
Chairman-cum-Managing Director

Mr. Pattanaik has in-depth understanding of microfinance and has more than two decade of experience in implementing various developmental and micro enterprise activities. He is well known in the development sector for his thoughtful and innovative approaches. He long dreamt about setting up of this institution to be a pioneer in the field of women empowerment by creating sustainable livelihood avenues for them. He has also played key role in setting up various community based institutions; is an advisor to various District Administrations; besides being a member in various committee formed by the State Govt.

Mr. Dibyajyoti Pattanaik
Director

Mr. Pattanaik has over 12 years of experience in microfinance, micro-enterprise development and development sector consulting. He has worked with Public and Development Sector institutions in various roles before joining Peoples' Forum as Program Head & CFO in 2007. He played a crucial role in the transformation of mission Annapurna to Annapurna Micro Finance Private Limited, which now operating as an NBFC-MFI across 10 states of India. He holds a Post Graduate in Management from Entrepreneurship Development Institute of India (EDII), Ahmedabad with specialisation in micro finance and micro enterprise management; he also holds a management certificate in microfinance from Boulder Institute of Management, USA.



**Mr. Sean Leslie Nossel,
Independent Director**

Mr. Nossel has 20 years of immense experience in the field of Insurance, Investment Banking, Structure Finance, Private Equity and Financial Markets. He has worked with JP Morgan Investment Bank, US as an Executive Director prior to his assignments with global Corporate like ABN AMRO Securities and Liberty Life. He is currently with Resolution Group heading the US acquisitions.



**Mr. K. K. Tiwary
Independent Director**

Mr. Tiwary is a senior Chartered Accountant and has the expertise in various fields of audit, taxation, Project consultancy, Micro Finance, NBFC takeovers and financing activities. He has years of experience in development, control, audit and monitoring on microfinance activities.



Mr. R. V. Dilip Kumar
Nominee Director

Mr. Dilip Kumar has been with SIDBI Venture Capital Limited (SVCL) since its inception in 1999 and was part of the core team which had set up SIDBI Ventures, SIDBI Trustee Company and NFSIT. He represents SVCL on the Boards of some portfolio companies, where he has played an active role in building up systems and processes.

Prior to joining SVCL in 1999, he was with SIDBI for nearly 8 years with experience in credit appraisal, accounts and audit functions. He is a Post Graduate in Commerce and Economics, AICWA, CS (Inter), PGDBA and CAIIB

Mr. Aditya Bhandari,
Nominee Director

Mr. Bhandari joined the Board of Directors of Annapurna Microfinance Private Limited in July 2012 representing Rural Impulse Fund II (managed by Incofin Investment Management, Belgium). He has over seven years of experience in private equity, venture capital, investment banking and corporate finance. His professional repertoire includes working with Aavishkaar Venture Capital, Goldman Sachs and Standard Chartered Bank.

He holds an Associate degree from the Institute of Chartered Accountants of India and Bachelors in Commerce from the University of Madras. He also has attended an executive programme on private equity education organized by the Indian School of Business.



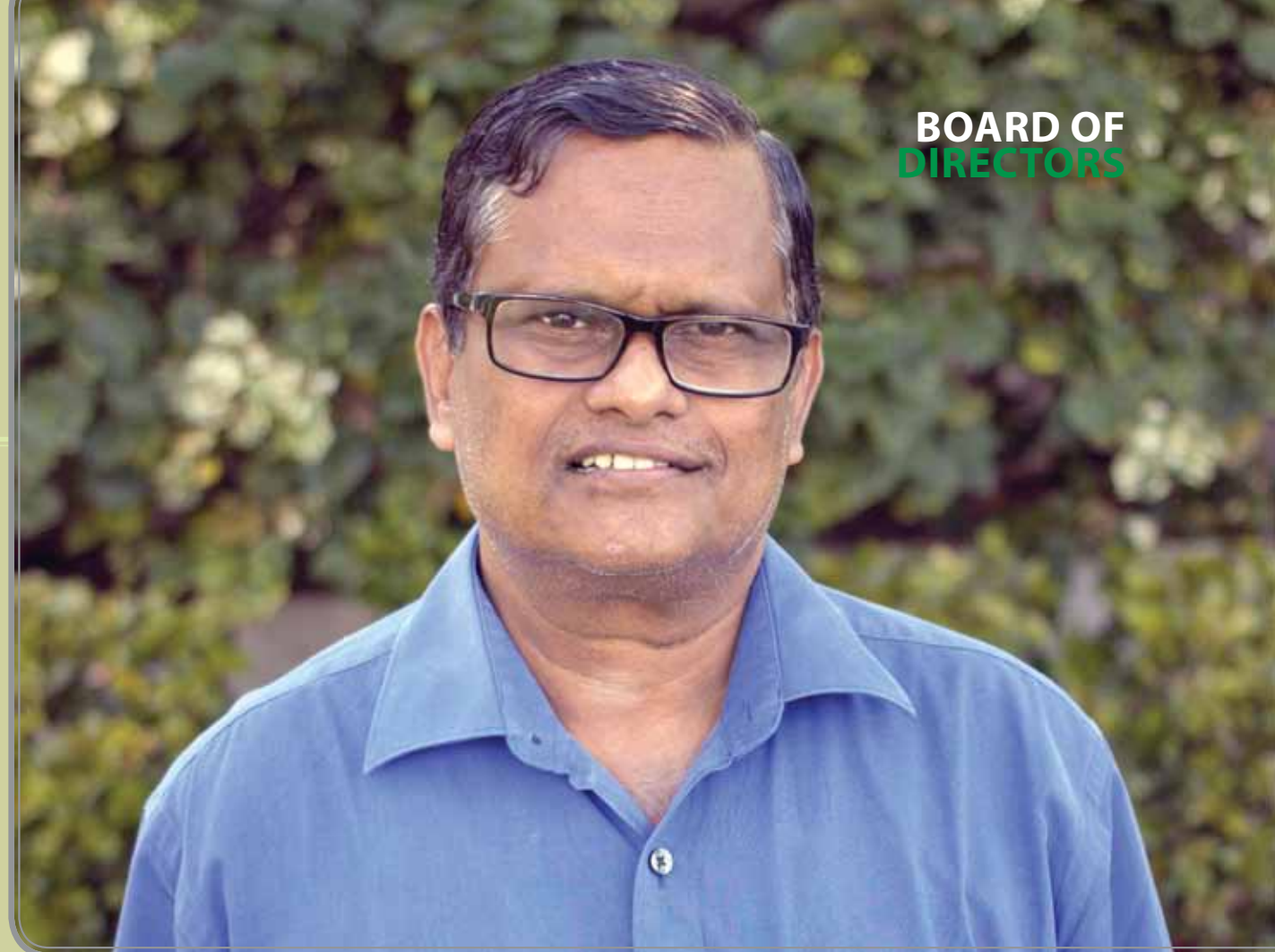
BOARD OF DIRECTORS



Ms. Laetitia Counye, Nominee Director

Ms. Counye has 15 years of long experience in the field of Investment Banking, Private Equity and Financial Markets. She has worked with Bureau Van Ransbeeck, Incofin Investment Management, Partners @ Venture Securities and Liberty Life. She is currently working as Senior Investment Officer in Belgian Investment Company for Developing Countries.

BOARD OF DIRECTORS



Mr. Ashok Ranjan Samal Nominee Director

Mr. Samal has rich experience of more than 31 years in development banking with diverse and long association with Micro Finance sector. He was serving as General Manager at SIDBI's Head Office Lucknow looking after SIDBI Foundation for Microcredit (SFMC). Mr. Samal is a Certified Associate of Indian Institute of Bankers (CAIIB) and Post Graduate in English from Utkal University.

Mr. Subrata Pradhan Company Secretary

Mr. Pradhan is a qualified company secretary from the Institute of Company Secretaries of India and holds a bachelor's degree in economics. He is instrumental in handling the function of Company Secretary independently after taking over the role in 2012. Mr. Pradhan is well versed with all the aspects of Company Law, Legal and Statutory Compliances.





**MESSAGE
FROM
CHAIRMAN-
CUM-
MANAGING
DIRECTOR**

Dear Readers,

Once again Annapurna has completed another year and just like previous years, the time has come for my team to bring out the Annual Report for 2015-16. I'm aware of your expectations of a good story from my column, and believe me, I am equally excited to share the story that is recently trending on social media. Despite of being a late entrant to the social messaging platform, my well-wishers have been quite accommodating of me and kept on sharing valuable information. One of such information shared, moved me and compelled me to share the same with you all. The story goes as follows...

"At age 5 his Father died. At age 16 he quit school. At age 17 he had already lost four jobs. At age 18 he got married. Between ages 18 and 22, he was a railroad conductor and failed. He joined the army and washed out there. He applied for law school and got rejected. He became an insurance sales man and failed again. At age 19 he became a father. At age 20 his wife left him and took their baby daughter. He became a cook and dishwasher in a small cafe. He failed in an attempt to kidnap his own daughter, and eventually he convinced his wife to return home. At age 65 he retired. On the 1st day of retirement he received a cheque from the Government for \$105. He felt that the Government was saying that he couldn't provide for himself. He decided to commit suicide, it wasn't worth living anymore; he had failed so much. He sat under a tree writing his will, but instead, he wrote what he would have accomplished with his life. He realized there was much more that he hadn't done. There was one thing he could do better than anyone he knew; and that was how to cook. So he borrowed \$87 against his cheque and fried up some chicken using his recipe, and went door to door to sell them to his neighbors in Kentucky. Remember at age 65 he was ready to commit suicide. But at age 88 Colonel Sanders, founder of Kentucky Fried Chicken (KFC) Empire was a billionaire."

This story of Colonel Sanders inspired us and we at Annapurna strongly believe in the insight of the story, that is, 'to never give up, no matter how hard it gets'. So as our clients, whose livelihoods are prone to even a slight change in the weather, advent of natural or human made calamities, market fluctuations among many other difficult circumstances. Still they hope and continue to build up on their lives as well as livelihoods, while Annapurna constantly stand by them throughout their ups and downs.

I'd also like to share with you all that our success was never confined to the growth of our balance sheet or the profits that we generate. There are many dreams yet to be seeded. They would require proper care and nourishment. Hearing the unheard; reaching the unreached, with a vision to achieve an economically balanced society, and to gift our future generations a green planet full of sustainable livelihood opportunities.

It's not a question of whether we'd be present or not, as it can be that I may not be on this platform of Annapurna tomorrow, but what really makes a difference is what we do with our time in hand, in our present. We all should try our best in the present to make this company stronger, nourished and robust in all its aspects and let our dream seeds blossom, today and for the days after.

I firmly believe and have full faith on my team, that with the determination and motivation it has, it will continue to work in this path to achieve more heights and success in the coming years.

I feel overwhelmed with joy expressing my gratitude to all our bona fide stakeholders, partners, donors, bankers, advisors and all those who significantly contributed in our development and growth by rendering their support, and by standing with us during the ups and downs. Without their support, reaching to these heights would have been a daunting task. All your contributions are acknowledged and have made me indebted to you all.

I never missed the opportunity to express my gratitude to our one and only beloved clientele, who've been our pillar of strength since our inception. I sincerely acknowledge their vital role in our very existence and growth. To all our women clients, who are like our mothers and sisters, a special thanks from myself and my team-mates for being our companions in this sojourn to a new dawn of development.

My sincere appeal to all my hard-working colleagues, even though you are the best in your respective fields, you must find your own ways to self analyse your potential, and means to enhance your capabilities for all your future endeavors. Don't be afraid of being ambitious; don't be afraid of trying new things; don't rely on past accomplishments as a guide to future; don't forget our strength that is built primarily on our People, Mission & Values.

**"With stroke of an action will create a new humanitarian world",
with this hope I remain!**

Jai Hind!!

With Lots of care and regards.

Gobinda Chandra Pattanaik
Chairman-cum-Managing Director

MARCH 2016 PORTFOLIO CROSSED INR 9 BILLIONS



MARCH 2016

FEBRUARY 2016
Equity investment of INR **100 Millions** by DCB Bank

DECEMBER 2015
Crossed **.5 Millions** Clients

AUGUST 2015
ICRA Rating upgraded to BBB

JUNE 2015
AUM crossed INR **5 Billion**

MARCH 2015
Equity Investment of INR **250 Millions**
from SIDBI Venture Capital Ltd

MARCH 2014
Investment of INR **300 Millions** by BIO & INCOFIN

OCTOBER 2013
NBFC MFI License

FY2013
SIDBI & INCOFIN became investors

MARCH 2009
GLP crossed INR **250 Millions**

2007
Started operation under Mission **Annapurna**

Rise in AMPL's employee base from **912 to 1,691** was observed during the financial year 2016.

Company diversified its product portfolio by introducing four new products; Dairy Development, Home Improvement, Crop and Microenterprise loans. This **diversification has ensured the priority sector lending, as well as Inclusive Growth of our clients.**

Annapurna has further expanded its coverage to **four new states of Assam, Meghalaya, Tripura and Rajasthan**; making it to 10 operational states and therefore expanded its outreach by opening 60 new branches as of March'16.

The client outreach has increased from **335,000 in FY2015 to 626,000** during the FY2016.

Annapurna got **SMART Campaign certification for client protection**, carried out by Microfinanza Ratings, that safeguards the clients of the company. This rating has substantiated that clients of the company are served with respect and care.

Annapurna was assigned A- grade in social rating by Microfinanza on being assessed on the company's Social Performance Management, Client Protection, Social Responsibility, Outreach and Quality of Services provided.

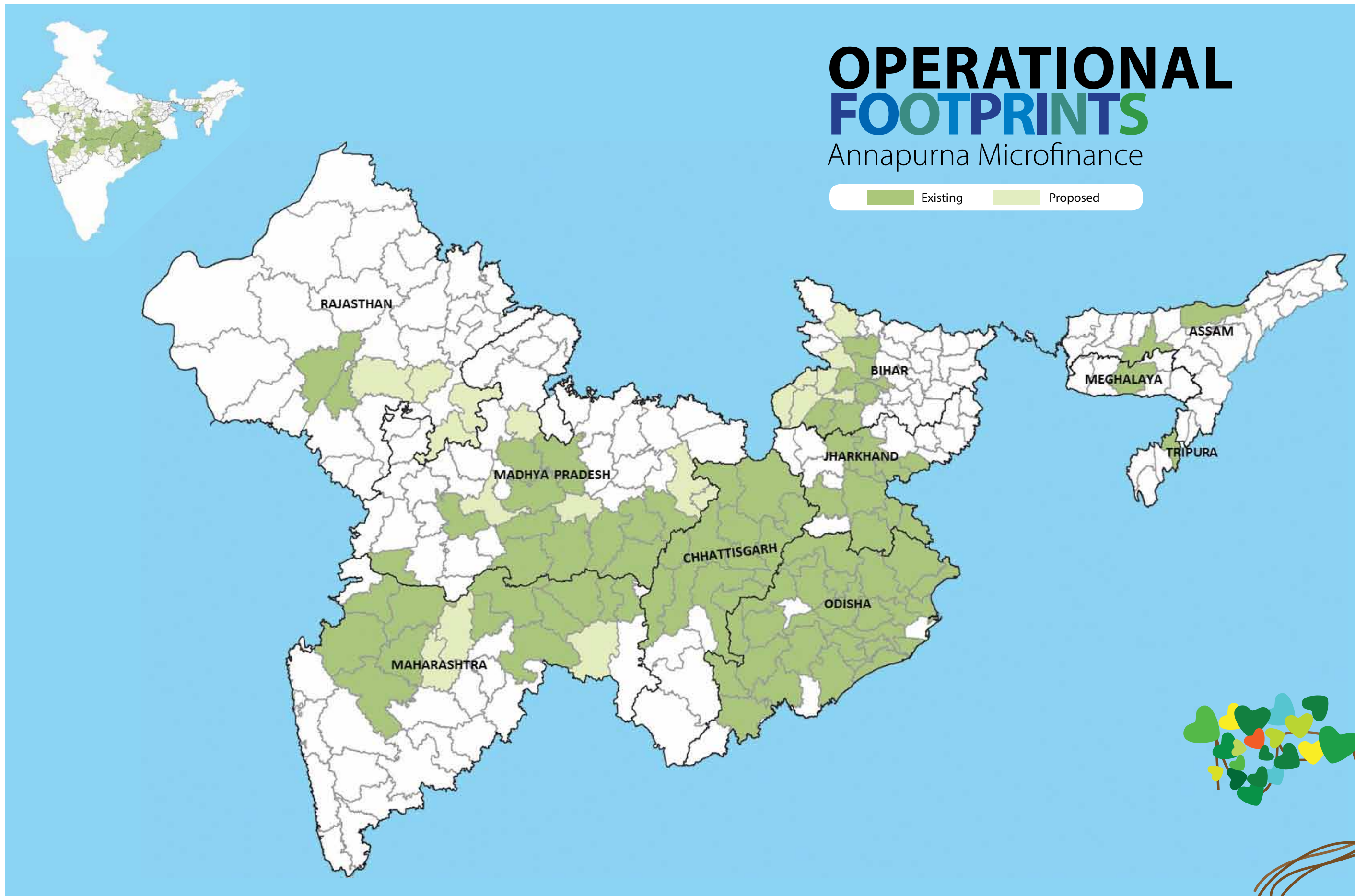
The rating further ensured that **Annapurna complies with client protection and international standards.**

DCB Bank Ltd. **Acquired an equity stake of 5.81%** in Annapurna, amounting to INR 10 Crore.

OPERATIONAL FOOTPRINTS

Annapurna Microfinance

Existing Proposed



CASE STUDIES DAIRY LOAN

Rajalakshmi Mohanty Dairy Loan

Rajalakshmi Mohanty is a member of Om Sai Ram SHG of Balipatna, Odisha. She lives along with her husband and two children



Financial Literacy trainings built her capacity to learn, whereas the dairy loan provided the opportunity to earn.

Rajalakshmi has been borrowing from Annapurna for quite some time. With her first loan from Annapurna, she assisted her husband in improving their cattle-shed, as their main occupation was dairy farming. Though it was a profitable venture, but the income received from it wasn't enough to suffice their monthly expenses, as she wanted to provide their children with quality education.

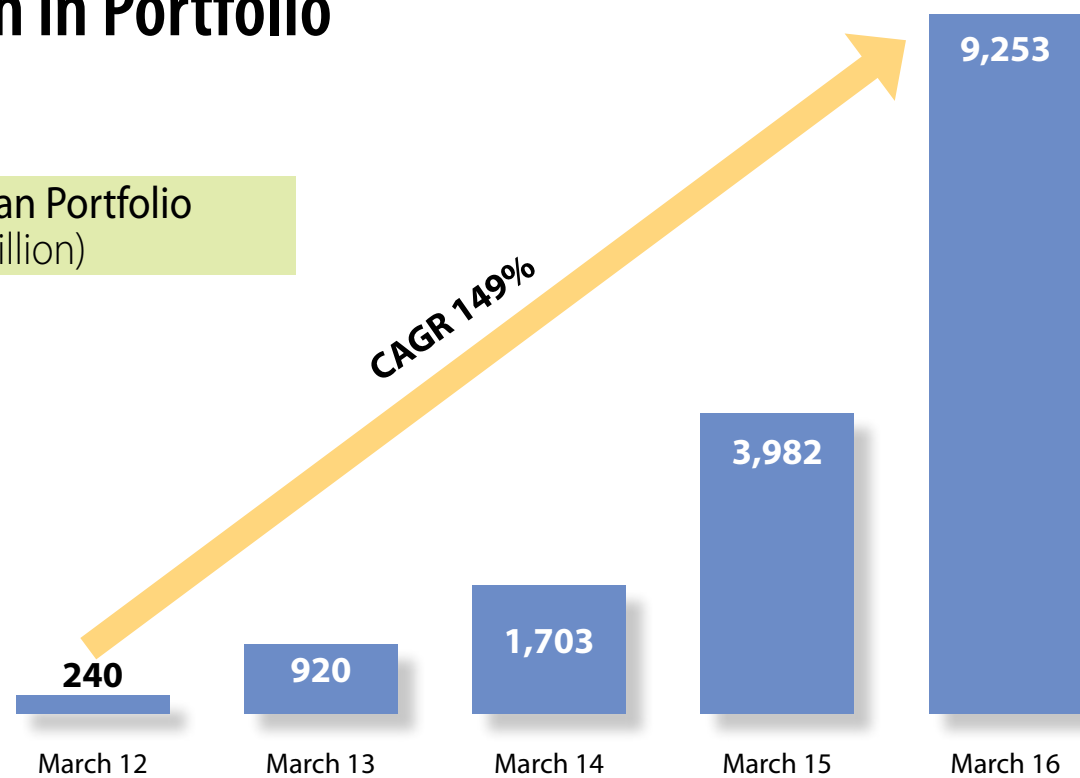
In one of the financial literacy training programs organized by the company, she came to know about the dairy loans provided by Annapurna for people who are already involved in dairy business along with a constructed cattle-shed at their home. She applied for the loan of INR 32,000 from the company which was at a reducing interest rate of 23%.

From that amount and her savings in the group and at personal level, she purchased a Red Sindhi breed and fodder with it. With this business expansion, the earnings from her dairy increased substantially and she had been making profits ever since upgraded her business.



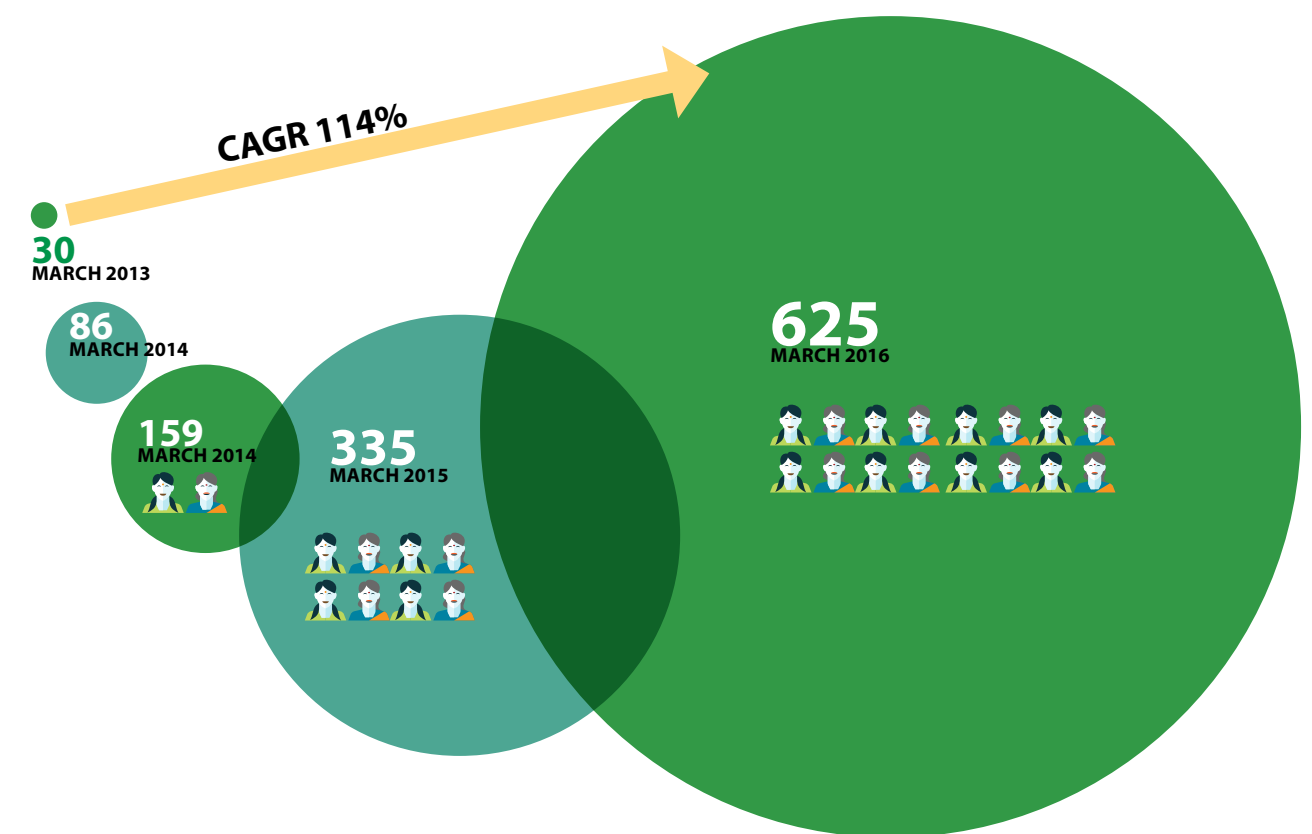
Growth in Portfolio

Gross Loan Portfolio
(in INR Million)



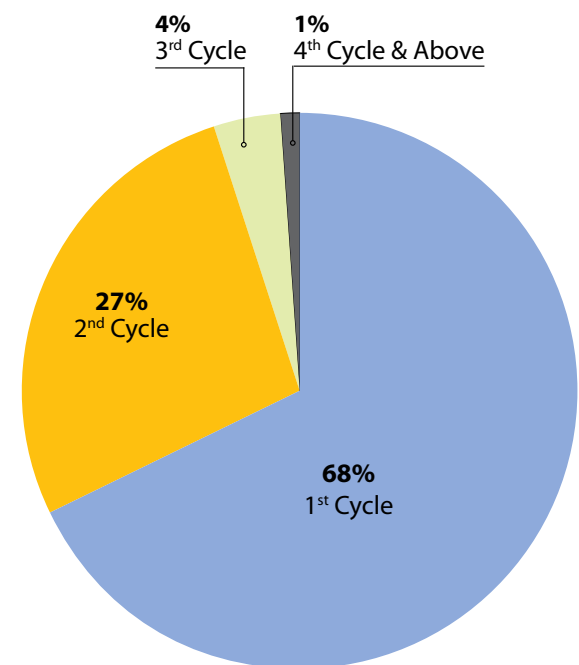
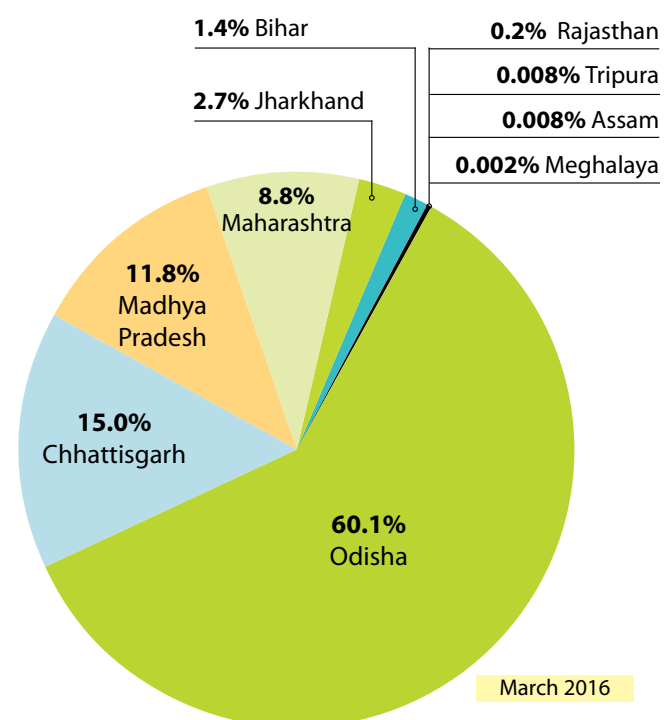
Client Outreach

Growth in Active Clients
(in 000)

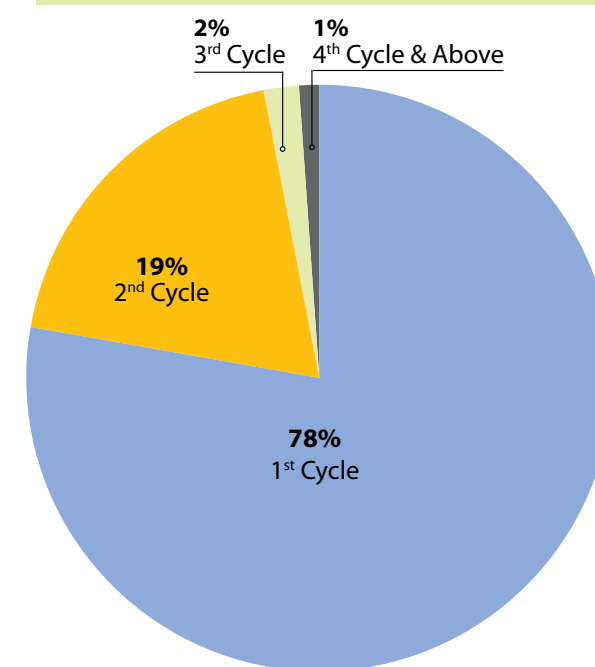


Cycle wise Portfolio Break Up (in%)

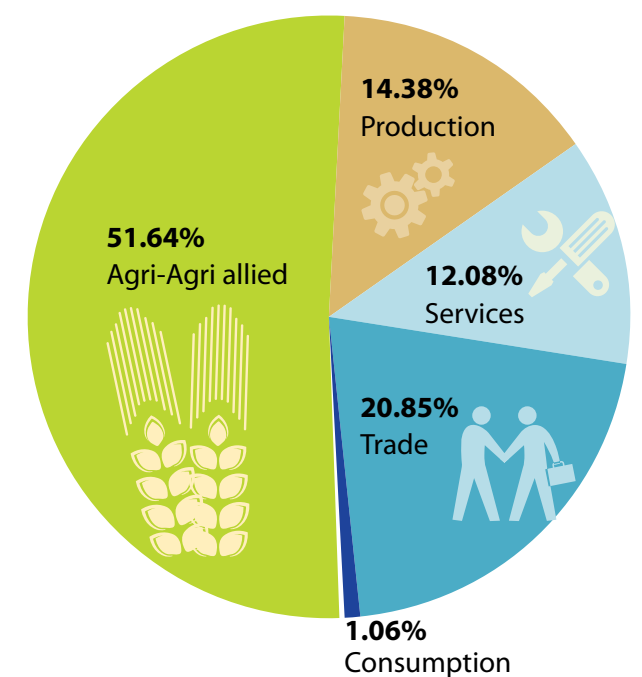
State wise Portfolio (in%)



Cycle wise Client Break Up (in%)

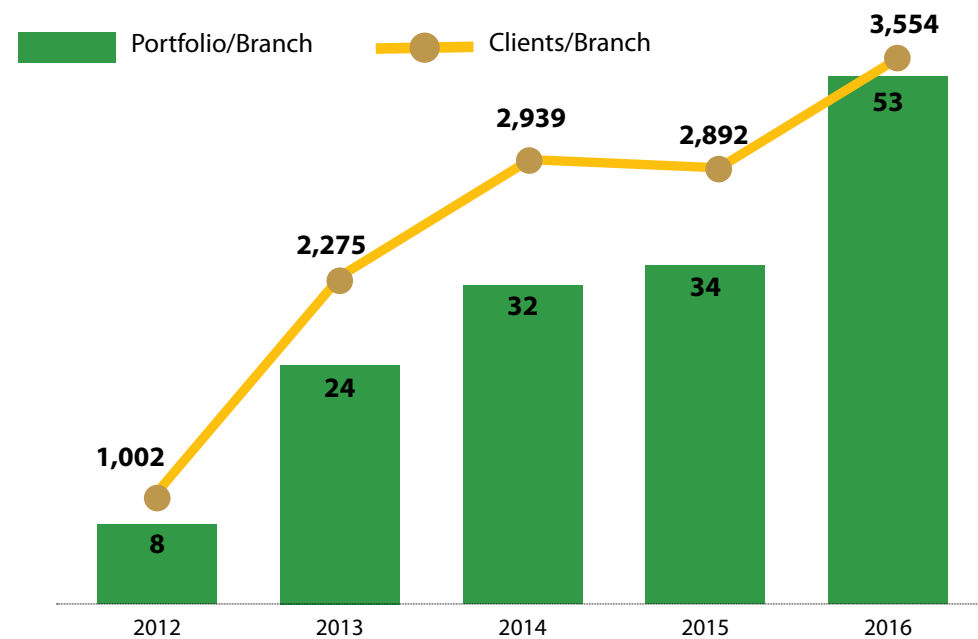


Portfolio Outstanding by Economic Activity

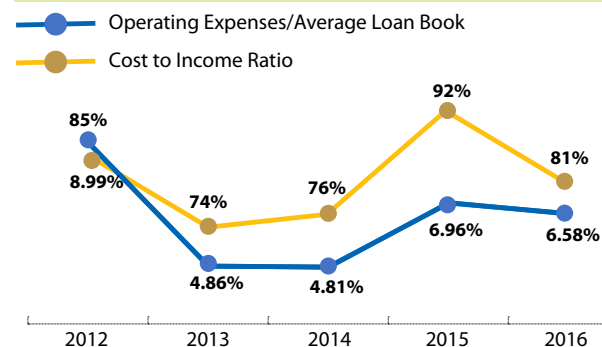


Operational Performance

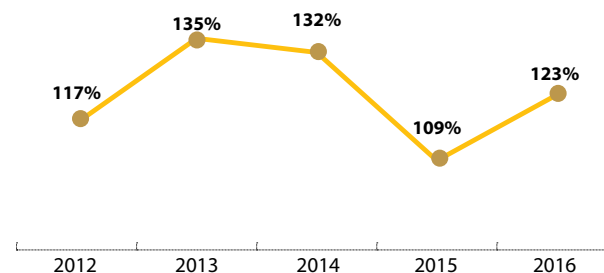
Portfolio Per Branch and Clients Per Branch (INR Mn)



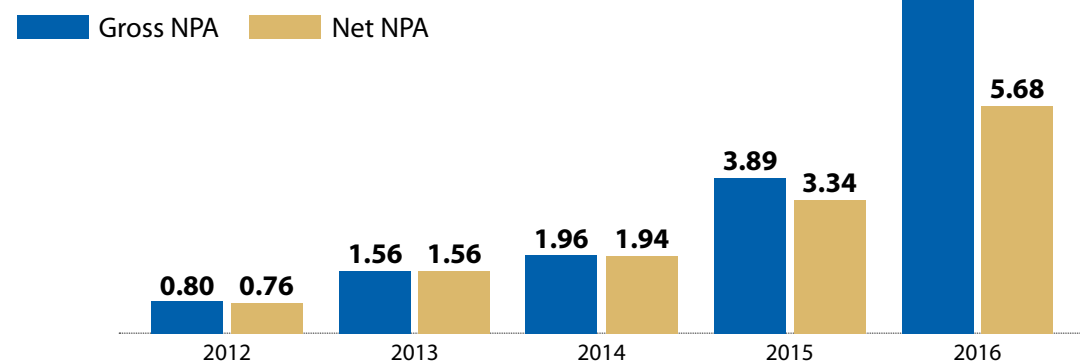
Operating Efficiency (in%)



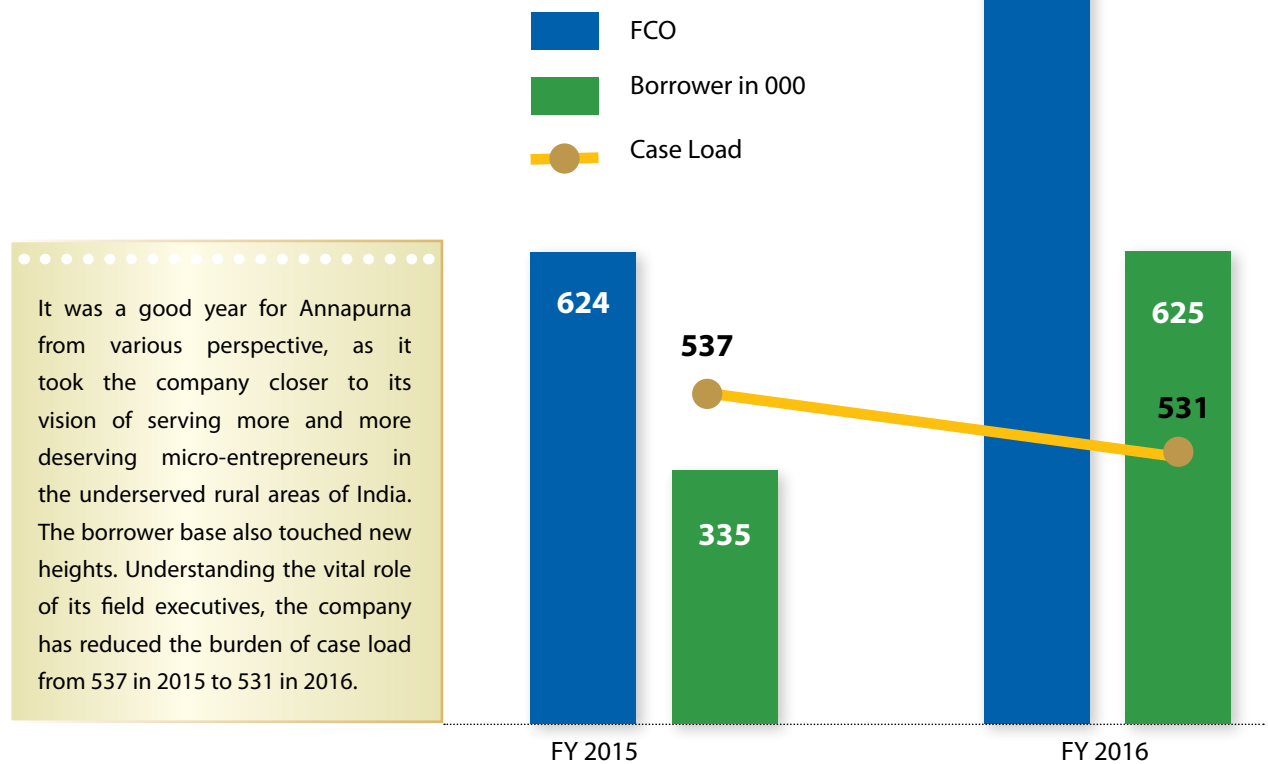
OSS (in%)



Gross NPA & Net NPA (INR Mn)



Operational Efficiency (Case Load)



It was a good year for Annapurna from various perspective, as it took the company closer to its vision of serving more and more deserving micro-entrepreneurs in the underserved rural areas of India. The borrower base also touched new heights. Understanding the vital role of its field executives, the company has reduced the burden of case load from 537 in 2015 to 531 in 2016.

Operational Performance

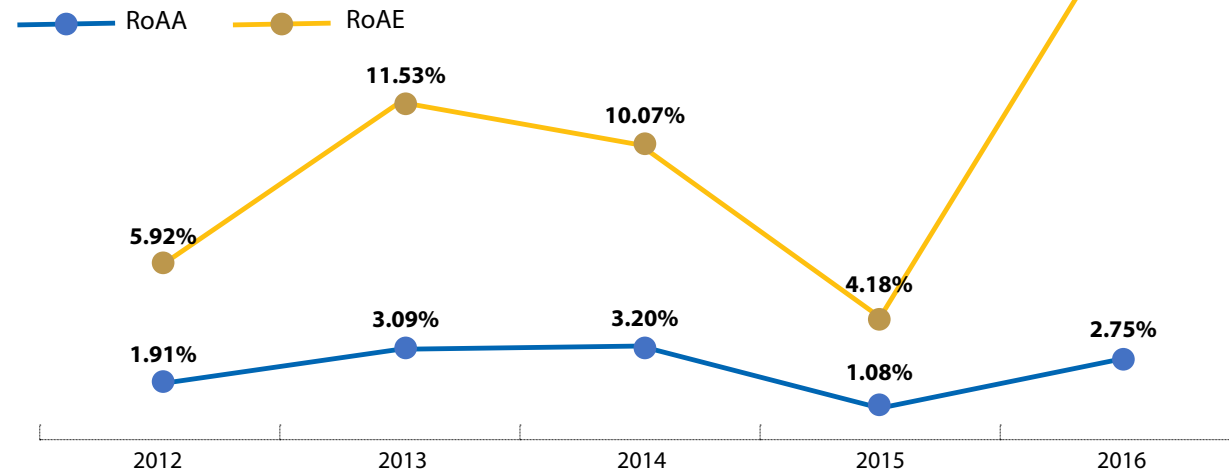
Particulars	2015	2016
No. of Borrowers	3,35,449	6,25,480
No. of Districts	63	91
No. of Villages	10,209	12,300
No. of Branches	116	176
Disbursement (in Cr)	450.67	1,034.29
Gross Loan Portfolio (in Cr)	398.22	925.26
Equity Infusion (During the year, in Cr)	25	13
PAT (in Cr)	3.05	18.19

The Company made its presence felt in 4 new states during the year which is in addition to the existing 6 states making it a total of 10 states it currently serves. This helped the company in reaching out to 12,300 underserved villages and providing micro credit to 625,480 borrowers through its 176 branches. This increased the GLP from INR 398.22 crore in FY 15 to INR 925.26 crore in FY 16. As the interest income grew with increase in GLP, a less than proportionate increase in the expenses helped the company register a PAT of INR 18.19 Crore.

This is not just about numbers, it is the impact in the lives of lakhs of households that Annapurna is able to bring – that is more important and it is ingrained in Annapurna's operational agenda.

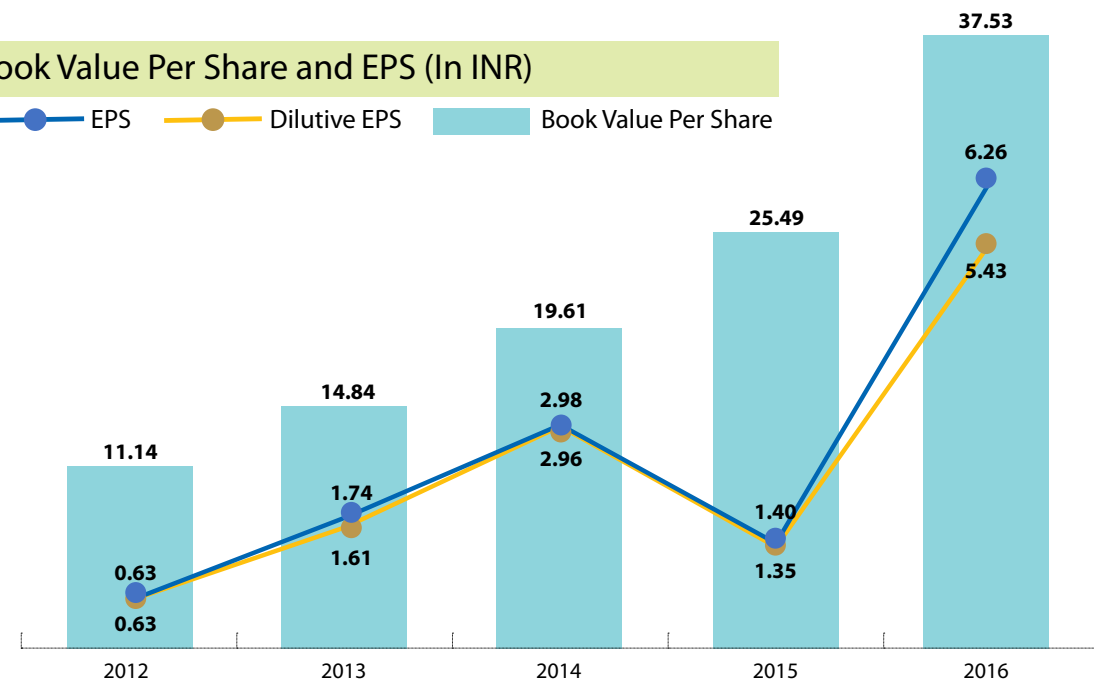
Financial Performance

RoAA & RoAE

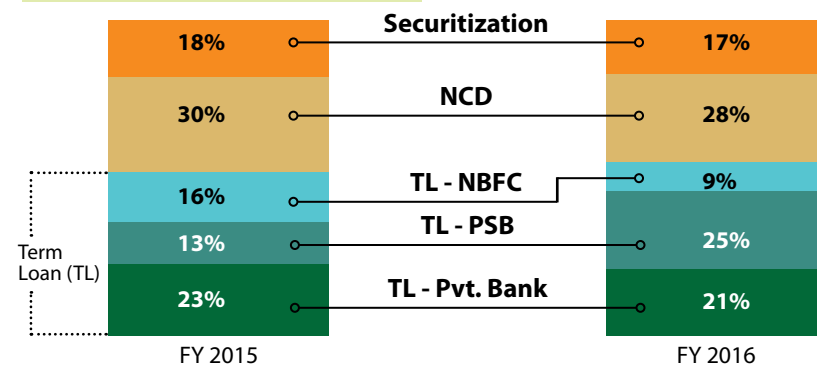


Book Value Per Share and EPS (In INR)

EPS Dilutive EPS Book Value Per Share



Sources of Funds (in %)



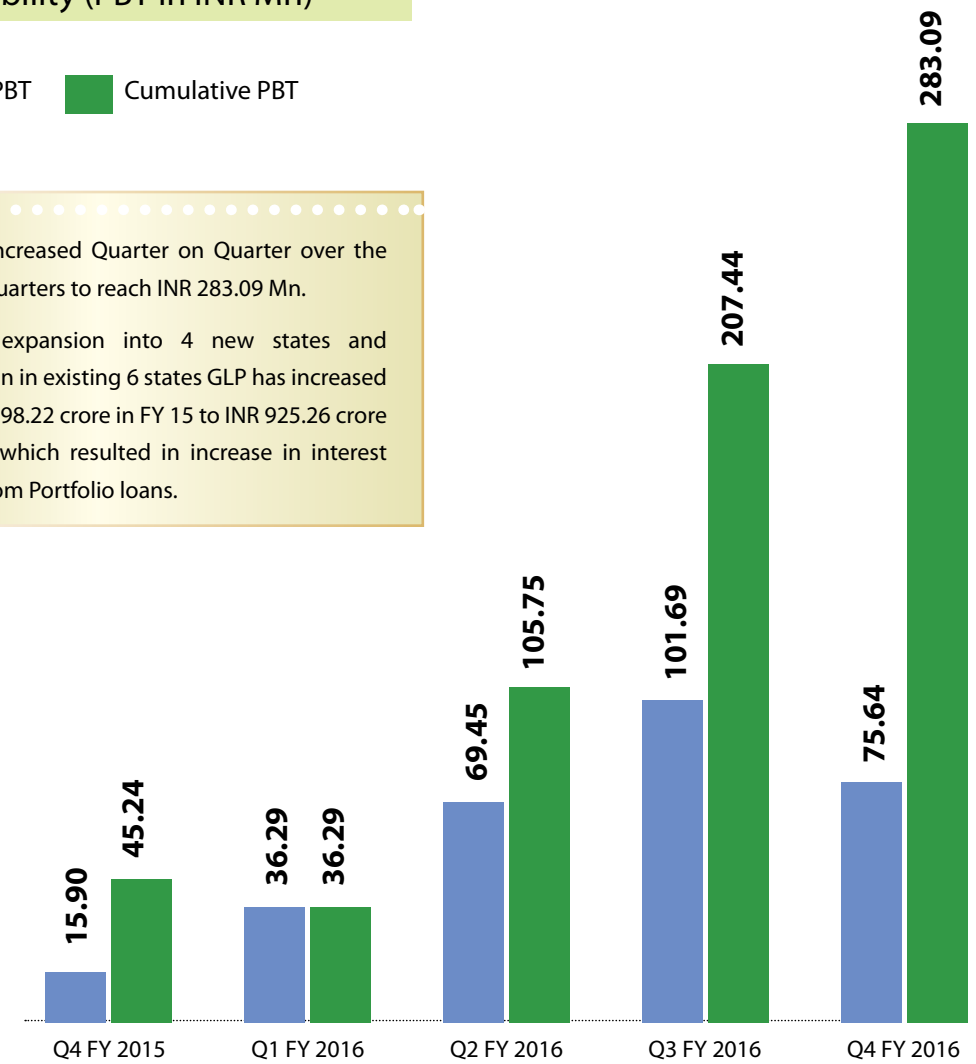
Annapurna has diversified its funding source in the last year under review, where it has attracted lending from several Public Sector Banks (PSBs). As shown in the graph, the share of PSBs in 2016 has increased to 25% in comparison to 13% in 2015.

Profitability (PBT in INR Mn)

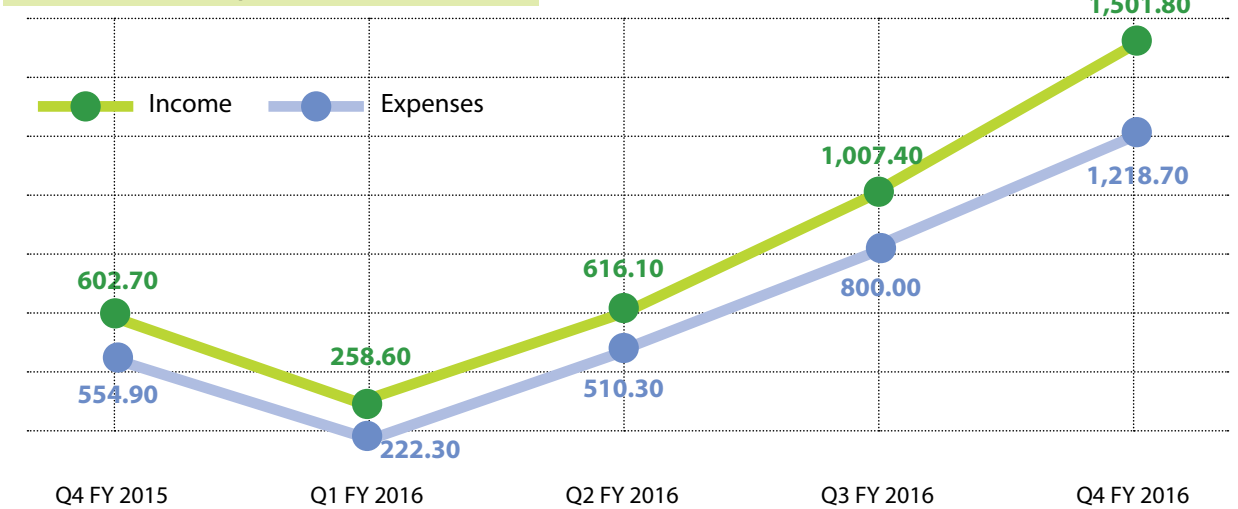
QTR PBT Cumulative PBT

PBT has increased Quarter on Quarter over the last four quarters to reach INR 283.09 Mn.

With its expansion into 4 new states and penetration in existing 6 states GLP has increased from INR 398.22 crore in FY 15 to INR 925.26 crore in FY 16, which resulted in increase in interest income from Portfolio loans.

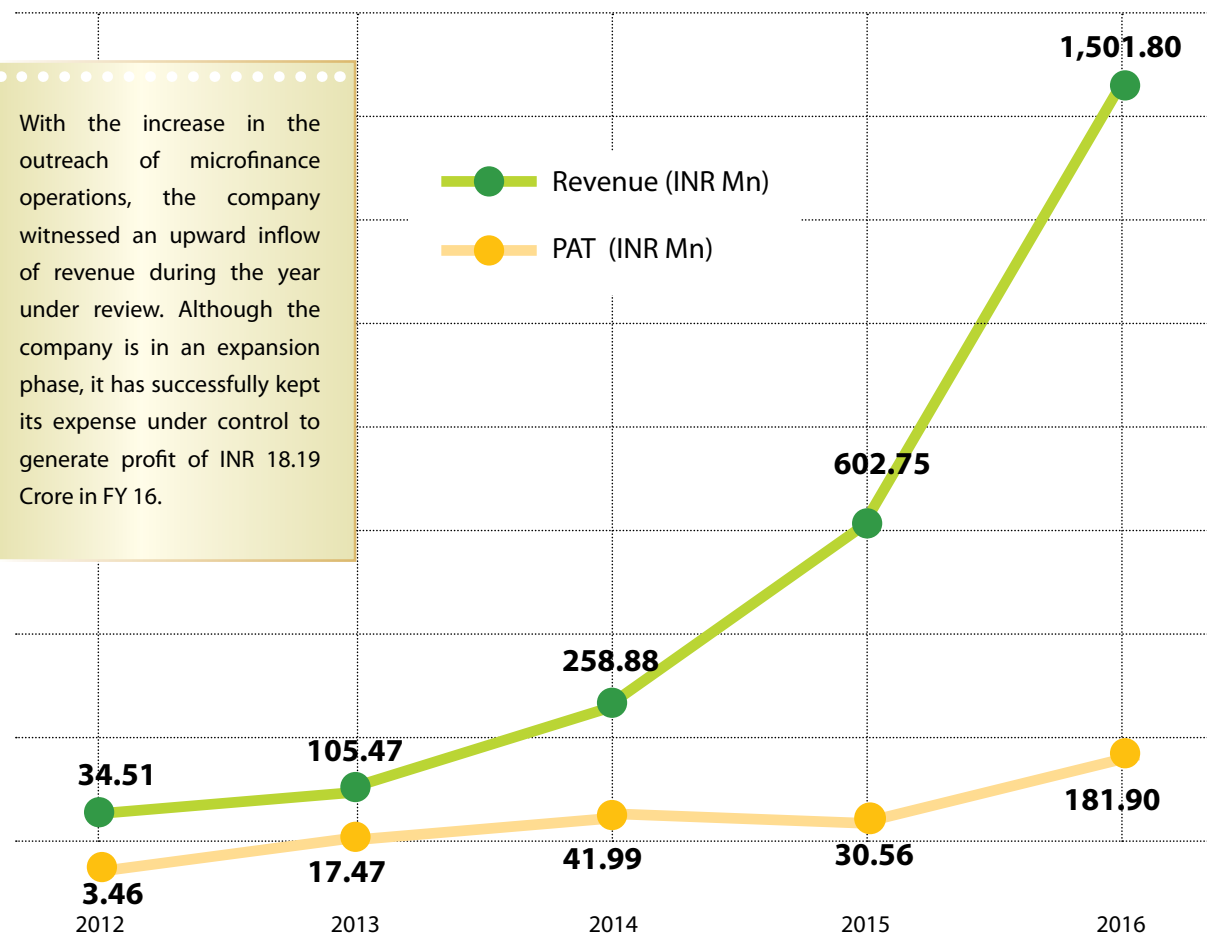


Income v/s Expenses (in INR Mn)

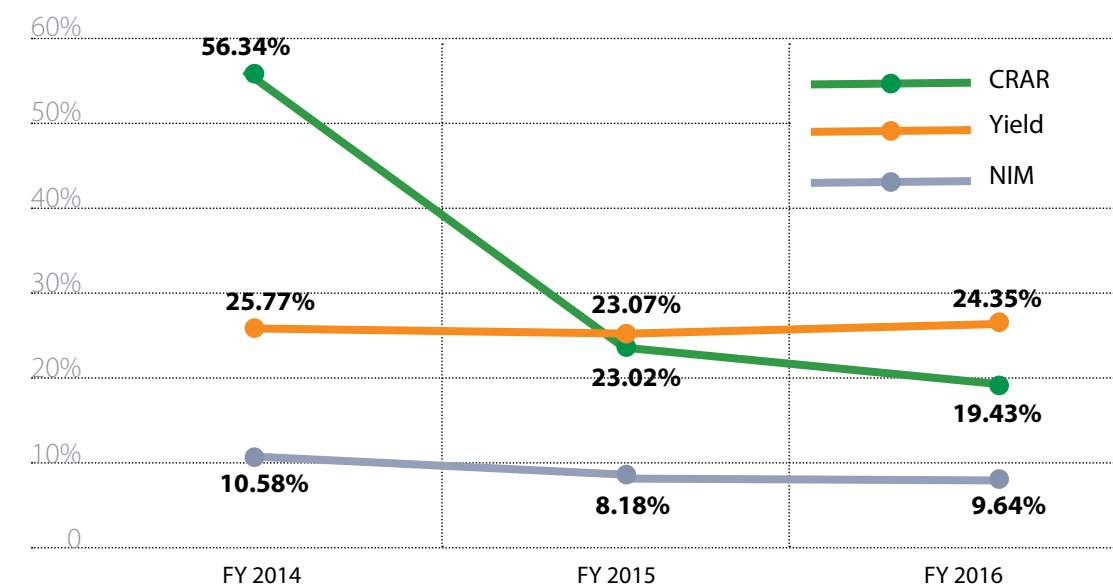


Revenue vis-a-vis PAT

With the increase in the outreach of microfinance operations, the company witnessed an upward inflow of revenue during the year under review. Although the company is in an expansion phase, it has successfully kept its expense under control to generate profit of INR 18.19 Crore in FY 16.



Capital Adequacy, Yield and NIM



The net worth of the Company registered a growth of about 37% over the previous financial year. With the infusion of capital of INR 10 Cr from DCB Bank, the closing figure for Net Worth reached INR 119.76 Cr in FY 16. Company also raised Sub – debt of INR 40 Crore in FY 16.

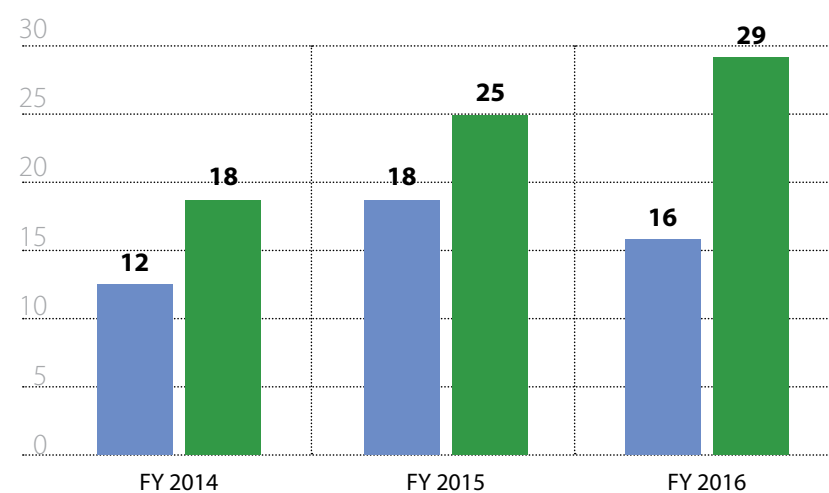
The GLP (on-book) of the company grew from INR 327.56 cr in FY 15 to INR 718.56 cr in FY 16 (growth of 119%) due to which CRAR experienced a dip in FY 16. However, it is well above the minimum required RBI rate of 15%.

Yield of the company has increased from 23.02% in FY 15 to 24.35% in FY 16. Reduced cost of fund further helped the company in improving its NIM from 8.18% in FY 15 to 9.64% in FY 16.

Asset Liability Mismatch (ALM)

Positive ALM Mismatch (in Months)

Average Maturity of Assets Average Maturity of Liabilities



The ALM Gap of the company has increased from 6 months in FY 14 to 13 months in FY 16. This increase in gap was due to Increase in average maturity of liabilities from 18 months in FY 14 to 29 months in FY 16. The company was able to do so by raising debts in the form of NCDs which have a tenure in the range of 48 to 60 months.

Further with the increase in 2nd cycle & 3rd Cycle loan disbursement to its clients, maturity of asset has also increased from 12 months in FY 14 to 16 months in FY 16.

Credit Rating & Grading of Annapurna

RATING

ICRA has reaffirmed the long term rating BBB on March 11, 2016. ICRA's MFI rating factors in AMPL's ability to scale up operations while maintaining good asset quality indicators. It has also taken into account the company's expansion to other states to manage the geographical concentration and experienced management team and company's track record of raising equity in the last 3 years. The outlook on the long term rating is stable.

GRADING

ICRA has assigned a grading of 'M2+' to AMPL on October 2015. The grading is one notch below the highest grade. Grading has been assigned on an 8 pointer scale. It has been assigned on AMPL's ability to manage its microfinance operations on a sustainable basis.

CASE STUDIES
INCOME GENERATING LOAN

Maa Santoshi Group

Income Generating Loan

Maa Santoshi Group is an example of what women can do, when they are assigned the roles of leadership!

Maa Santoshi Self Help Group is one of the dynamic groups of Balipatna region of Odisha. The group currently has seven members who have had a long association with Annapurna as they are currently in their 3rd loan cycle from the company.

Initially the members took INR 15,000 each to start the group activity.

During the tenure of the loan they came to know about supporting the packing activities for snack & sweets stores. They started organising themselves and engaged each other in doing the activity. Gradually they started witnessing increase in their return on investment and subsequently took the 2nd loan of INR 25000 each.

With this money, they bought more raw materials and started taking orders from local vendors. They even started making packages for local ice-cream vendors.

With their group activity scaled up and they applied for INR 35000 in their third cycle from Annapurna. The group has now connections with local and city vendors, and they have plans of expanding their business by increasing their production further.



Products and Services

Coming up with new products is really what keeps us up at night



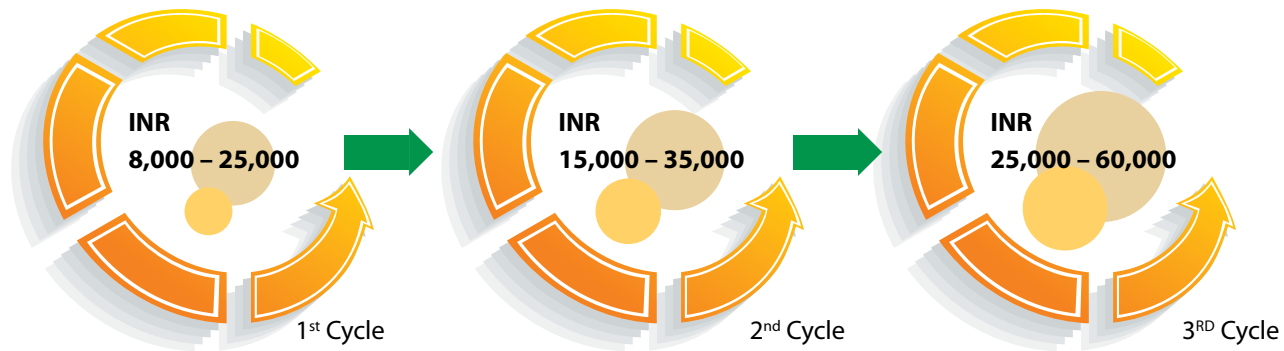
2015-16 was a year of growth and diversification at Annapurna. Carrying forward the goals from the last year, Annapurna launched four new products this year, i.e. Home improvement Loan, Dairy Development Loan, Crop Loan and Microenterprise Loan. With the introduction of these products, the company has entered the individual lending segment, to serve the needs of such clients. The group lending products also witnessed some changes, including maximum lending amount, and most importantly the interest rates. The company reduced its interest rates for group loans to 22-23% reducing, from the previous rate of 26% reducing. The details of the products are given below.

Group Loan: Self Help Group (SHG)

Currently the group lending product of Annapurna, based on the SHG (Self Help Group) model has the highest portfolio share among other products. It is offered to women SHGs in rural areas, which generally consists of 10-20 women members. The loans are provided for various purposes, like Agriculture, Agriculture equipment financing, Agriculture allied activities, Micro enterprises and petty business, and for handicraft/handloom and other such artisans. The loan size varies as per the type of loan usage, loan cycle, and repayment capacity of the borrowers.

TENURE	12 – 36 months
INTEREST	22 – 23% reducing
LOAN PROCESSING FEE	1% plus applicable service tax
INSURANCE	INR 5.6 for every 1,000 of loan per year
FREQUENCY	Monthly/weekly/ fortnightly

Loan Size



Product	Group Loan (SHG)
Model	Group Lending
Purpose	Agriculture, Agri-equipment, Agri-allied activities, Micro enterprises/Petty business, Handicraft/handlooms



Microenterprise Loan (MEL)

With the objective of rendering financial services for entrepreneurs and small business lacking access to banking and related services, the product MEL was started to support this segment. Clamping more than 90% of the total MSME sector, 99.82% is dominated by unregistered entities. Being individual in nature and mostly run in small units with least documents, one of the greatest challenges which the product faces is determining credit worthiness of the clients. Drawing conclusions from almost no such physical evidences is a task which appraisal officers perform with the help of credit check applications. Annapurna strives to support the fact that utilisation of money towards business will surely bring in progress and through those monetary benefits, it is expected that the client will be able to earn more and achieve a higher standard of living.

Meeting both the ends of customer needs i.e. both of greater and higher loan sizes has been one of the prime objectives of Annapurna. MEL not only aspires for growth of micro business entities but also strives for making its clients bankable, as it is one of those products of AMPL which delivers the loan amount to the client's bank account (cashless disbursement).

The government of India with Make in India campaign has been taking active steps to promote entrepreneurship in various industry & service sectors. This has boosted the urge for funds in the form of loans among microenterprises. Still the question remains on determining creditworthiness and reducing risks on recovery. The coming years will definitely witness individual lending in large scale but what is essentially needed for microenterprise lending is robust mechanisms and applications to determine credit worthiness of the clients. Psychometric test questions, in depth appraisal questions, unnoticed areas, loans which Credit Bureau (CB) reports fails to capture are some of the key areas which needs to be worked upon in order to reduce the inherent credit risks.

OUTSTANDING
INR 25,07,575



LOAN SIZE
MEL Small
INR 25,000 - 1,00,000
MEL Large
INR 1,00,000 - 3,00,000

TENURE
12 to 36
months

INTEREST
26%
reducing



Home Improvement Loan

Housing gives a sense of belongingness and contributes to the social, physical and physiological security of the community. The Working Group on Rural Housing for the 12th Five Year Plan, states that the total housing shortage in rural areas is estimated at 43.67 million units. Further the major housing shortage is witnessed in the lower income and informal sectors households which remains largely underserved by the formal financial institutions. Lack of clear property titles and documented income proof prevents the formal financial institutions from penetrating into the rural market. Annapurna ventured into this market recognizing the huge demand among its existing clients. Moreover, the primary and secondary research study revealed that the housing needs of rural clients is different as they largely need loan for home repairs, renovation and extension, being the priority.

Annapurna offers Home Improvement Loan to its existing clients with clear credit history and robust repayment capacity. Funded by MicroBuild B.V., the company also receives technical advisory services from its partner agency CISF (Centre for Innovation in Shelter & Finance) for strengthening the operational processes and to service the clients as per their needs. Annapurna has made a head start in Odisha by facilitating clients to avail home improvement loan depending on their need based priority.



OUTSTANDING
INR 8,26,354



Purpose of Loan	Provide financial cum technical assistance to low income families for Home Repairs and Extension
Lending Methodology	Individual Lending
Loan Size (INR)	30,000 to 120,000
Applicant (Target clients)	Existing clients (2nd loan cycle or above)
Loan tenure	18 months - 48 months
Mode of loan disbursement	To borrower's bank account
Mode of Repayment	Cash/ECS
Interest rate	22% reducing

Agriculture Loan

FASAL LOAN (Farm and Agri-Sector Augmentation Loan)

Annapurna is among India's few MFIs to deliver a dedicated crop Loan to the farmers for a timely access to credit facilities.

In the beginning of the financial year, Annapurna took a bold step by offering a customized Loan product for the farming community; with a motive to fill the on time credit gap to the farmers, and to free them from the vicious cycle of local money lenders & Agri-input providers.

Before rolling out the product in the market, Annapurna administered research studies to understand the land acreage, type of crops, farmer's cash flow, crop duration & all input related factors. During the course of product development, discussions with farmers provided basic insights about their needs which in turn helped the company to design flexible repayment schedule. Depending upon repayment capacity of the farmers, Annapurna designed repayment schedules like bi- monthly, quarterly, once in 4 months, half yearly or balloon payments (which allows the farmer to close their loan at one time in the end of the year along with interest for the period.)

FASAL loan was initially launched in 9 branches across different geographies but for a particular produce such as vegetables which are of short duration and gives continuous cash flow. Farmers were financed during the kharif season for vegetable crops and till date not a single default or delinquency has been reported, and the repayments are going in a very smooth manner with an overwhelming demand for this product.

Furthermore, in forthcoming days Annapurna will come up with a solution for the marketability of the farmer produce through forward market linkage initiatives, as bulk of produce is being sold at distress price which is one of the main reasons for non-upliftment of farming community.

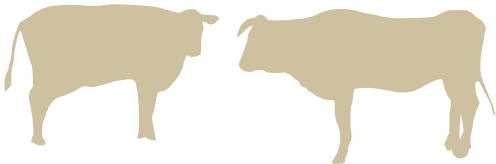
Dairy Development Loan

India is the largest milk producer in the world with an annual production of 137.6 million tonnes in 2013-14 (NDDB). Indian dairy production comes majorly from small and marginal farmers with an average animal handling of 2-4 animals. The small dairy farming is a viable option in the rural areas and contributes to household's livelihoods, food security and nutrition.

Annapurna has started the Dairy Development Loan with a vision to promote rural entrepreneurship through dairy farming. The objective of this loan is to deliver credit facility to existing dairy farmers for purchasing Cross Breed/ Jersey Cow. The loan is given to start a new dairy enterprise or to expand an existing small dairy enterprise. In this particular loan clients not only get loan for purchasing cattle but also to construct cattle shed. Dairy loan is given only to those clients who already have minimum one milching cattle with proper dairy farm infrastructure.

Product Specifications

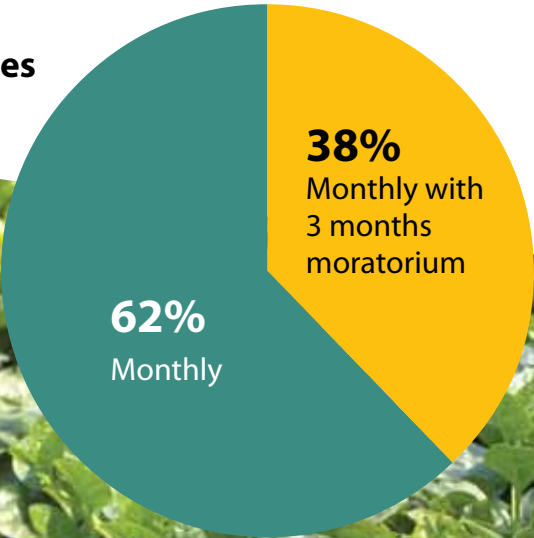
Lending Model	Individual
Loan Size	INR 32,000 - 1, 50,000
Total Project Cost	Loan to Value 80%
Target Clients	Experienced Dairy Farmers
Loan Tenure	18 - 36 Months
Repayment Frequency	Monthly
Interest Rate	23% Reducing



OUTSTANDING
INR 9,37,370



Repayment Modes



Education Loan

Annapurna has brought this loan product to assist students financially and help them to pursue their education in order to shape up a bright future. Annapurna in association with KIVA has initiated this product to reach the untapped market of students, who due to lack of financial services are restrained from pursuing their desired educational courses. Education loan provides opportunities to students to continue and complete their education smoothly and successfully. Currently the focus is on short term job oriented products, which provide skill based trainings, and provide employment in reputed companies.

Product Specifications

Features	Education Loan
Loan Amount (In Rupees)	Maximum 85% of course fee (Loan amount up to Maximum INR 1,50,000)
Tenure (In Months)	12 - 36
Interest Rate	18%
Processing Fee	1%
Insurance	INR 5.6 per 1,000 per annum for each Individual
Lending Model	Individual
Mode of Disbursement	Demand Draft or A/C payee cheque
Mode of Recovery	Cash
Repayment Frequency	Monthly



SWASTH (Safe Water and Sanitation to Households)

Safe Water and Sanitation is considered to be the most basic need of a human being, even above food, because nutrition and health flourishes in personal and environmental hygiene. It also guarantees healthy growth of a child even before birth. The availability of these facilities at household not only saves time of a person but also reduces the medical expenses through hygiene. Overall, it is a key factor to economic growth of a household and society.

Safe water and sanitation in India continue to be inadequate, despite longstanding efforts by various levels of government and communities to improve coverage. Only 14% of the rural population has access to latrine. It is estimated that 21% of communicable diseases in India are related to unsafe water and sanitation.

Year 2014 proved to be a turning point in terms of water and sanitation when Prime Minister Narendra Modi launched the Swachh Bharat Mission, which aims to eradicate open defecation by 2019. The Reserve Bank of India (RBI) also revised guidelines for lending to the priority sector. It's been two years Annapurna is offering the loan product at different location of its operational states in India. SWASTH primarily facilitates the customer to avail loan based on their need. Capacity building, training and awareness activities are undertaken with Water.org and FINISH society whereas Oiko Credit (Maanveeya) extended their loan support.

In the last financial year, Annapurna benefitted 10,000 Households with its SWASTH product and ensured healthy future of approx. 50,000 individuals. It laid a foundation and instituted a positive thrust to go for new product implementation at Annapurna. The company has constructive plans to double the outreach of this important product in the coming future.

To cater a huge demand of clean drinking water especially in rural areas, Annapurna introduced Water Purifier Loan to benefit its existing customer base of 6 lakh households. With the monthly instalment of merely 300 INR, it is affordable to a large section of the households.

Product Specifications

Loan Type	Loan Amt.	Loan Ten. Mths
New Toilet Loan	15,000 - 25,000	18 - 24
Hand Bore Well Loan	10,000 - 20,000	18 - 24
Water Connection Loan	5,000 - 15,000	18 - 24



OUTSTANDING
INR 9,77,88,774



The rate of interest for all the above loan is 22% reducing.

The processing fees initially taken from the borrower is 1% of the loan amount.

The borrower is given life insurance at the premium of INR 5.6 per INR 1,000 of the loan amount.

A service tax of 14.5% is taken on the loan processing fees.

CASE STUDIES
HOME IMPROVEMENT LOAN

Nabeena Sahu

Home Improvement Loan

It's not just the portfolio size that lets us know we won, it is the smile on our customers' face!

As it is known that housing is one of the basic necessities of survival, Annapurna provides its customers with housing loans to repair or upgrade their existing households. This product offered by Annapurna ensures that it doesn't only emphasize on providing its customers with financial assistance, but also on improving their living standards.

One such beneficiary was Nabeena Sahu of Balugaon area of Odisha, where she lived along with her husband and children.

Nabeena was a member of Om Sai Ram Self Help Group. She availed for a home improvement loan from Annapurna and on being assessed on her regularity of loan repayment and her association with the company. She received a loan of INR 60,000 from the company.

With the financial assistance she received from Annapurna, her dreams of having a concrete home has been fulfilled.

Nabeena is one of the many beneficiaries of the housing loan provided by us.



Business Correspondence at Annapurna

Alternate Channel for the last mile connectivity.

Annapurna has taken this alternate channel of service delivery to new heights, it has given due emphasis on expanding the banking services through its branches in various locations. To improve the cost effectiveness of the model, Annapurna has just opted the BR.NET interface. The interface has significantly reduced the time taken for the disbursement and sanction process, besides entirely upgrading the manual process to digitalization. Going by its expansion plans, the company has exponentially increased its branch presence in Chhattisgarh. This alternate channel of financial services has enabled the company to expand its portfolio in tandem with the portfolio of its existing SHG Micro-lending model. The company has tie-ups with IDBI and DCB Bank to distribute these credit products under this model, the stats of this is shown in the figure below.

Business Position

Particulars	IDBI	DCB
Total Branches	4	12
No. of District Cover	2	7
No. of Villages	964	1319
Total SHG Disbursed	1135	2433
Active Clients	20108	26503
Loan Disbursement (INR)	303,784,000	443,050,000
Average Loan Size per SHG	261963.87	217862.72
Average Loan Size per client (INR)	16700	20000
Total Staff	35	64
Portfolio O/S (INR)	281,709,569	423,460,761
Average Portfolio per FCO (INR)	9,390,319	8,143,476
Average Portfolio per Branch (INR)	70,427,392	35,288,397

Business correspondence model at Annapurna which started the model in the last quarter of FY2015, has observed a growth of over 100% in terms of its client outreach in comparison to last year.

SIDBI-PSIG PROGRAM



Assisted by DFID, the Poorest States Inclusive Growth (PSIG) Program currently being implemented by SIDBI in 4 poorer states of Madhya Pradesh, Bihar, Odisha and Uttar Pradesh. It is envisaged to benefit about 12 million poor and vulnerable people, especially women by providing them with different financial services through multifarious ways, which will help them in improving their socio economic status as well as mobility in the above states. Annapurna is one of the partner organization in the PSIG Program to take forward the all-embracing objectives of improving the financial service delivery in its PSIG operational states.

The support from the PSIG Program has come in the form of Debt Fund, Soft Loan and Capacity Building Grant. This is apart from the capacity building training programs for the MFI staffs which are being periodically organized to well equip the staffs of MFIs to efficiently manage different operational level challenges. The financial support has substantially helped Annapurna in establishing branches in unreachable PSIG districts of Odisha, Bihar and Madhya Pradesh. Annapurna has organized a no. of knowledge-based training programs for its different departmental staffs by using the PSIG grant support. The assistance has supported in initiating different innovative technological interventions like that of Android-based mobile technology, which has helped in reducing time, manual workload and improving work efficiency at various levels in the company.

Different policy advocacy initiatives like that of establishing a lenders’ forum in the state to attract investments from banks and other FIs has invariably helped not only Annapurna but also the entire sector at the state as well as at national level. The idea of organizing bank exposure visit to Annapurna was beneficial and many public sector banks have expressed their keen interest in extending lending support to the Company. Besides the recent involvement in the SIDBI-ACCION financial literacy drives for our clients under the PSIG program brings in immense value and knowledge to our clients, this would help them understand the basic nuances of available financial services at household level. The Company highly appreciates and acknowledges all the supports extended so far, and looking forward to work closely with the apex financial institution in various domains of microfinance services delivery as well as economic upliftment of the unreached poor in the country.



Sir Desmond Angus Swayne, Minister of State at the Department for International Development (DFID) paid a visit to Annapurna and interacted with the clients.



Moyari SHG Income Generating Loan

The Jaji village of Assam is an archaic village, inhabited since time immemorial. The natives of the village have been associated with handloom enterprises. In that village is a group of women who formed an SHG, named, Moyari SHG and availed a loan from Annapurna for handloom weaving. Handloom weaving is a way of life and intensely linked with Assamese Culture and Heritage. Handloom Industry of Assam is known for its rich tradition of making handloom and handicraft products. It also plays a very important role in the socio-economic development of the State.

The women of Moyari SHG borrowed INR 20,000 each for a tenure of 18 months from the company to set up their enterprise. From the loan amount, they purchased weaving machinery and raw materials, like the Muga yarn, which is one of the rarest silks found. They weave shawls, sarees, handicrafts and other handloom products.

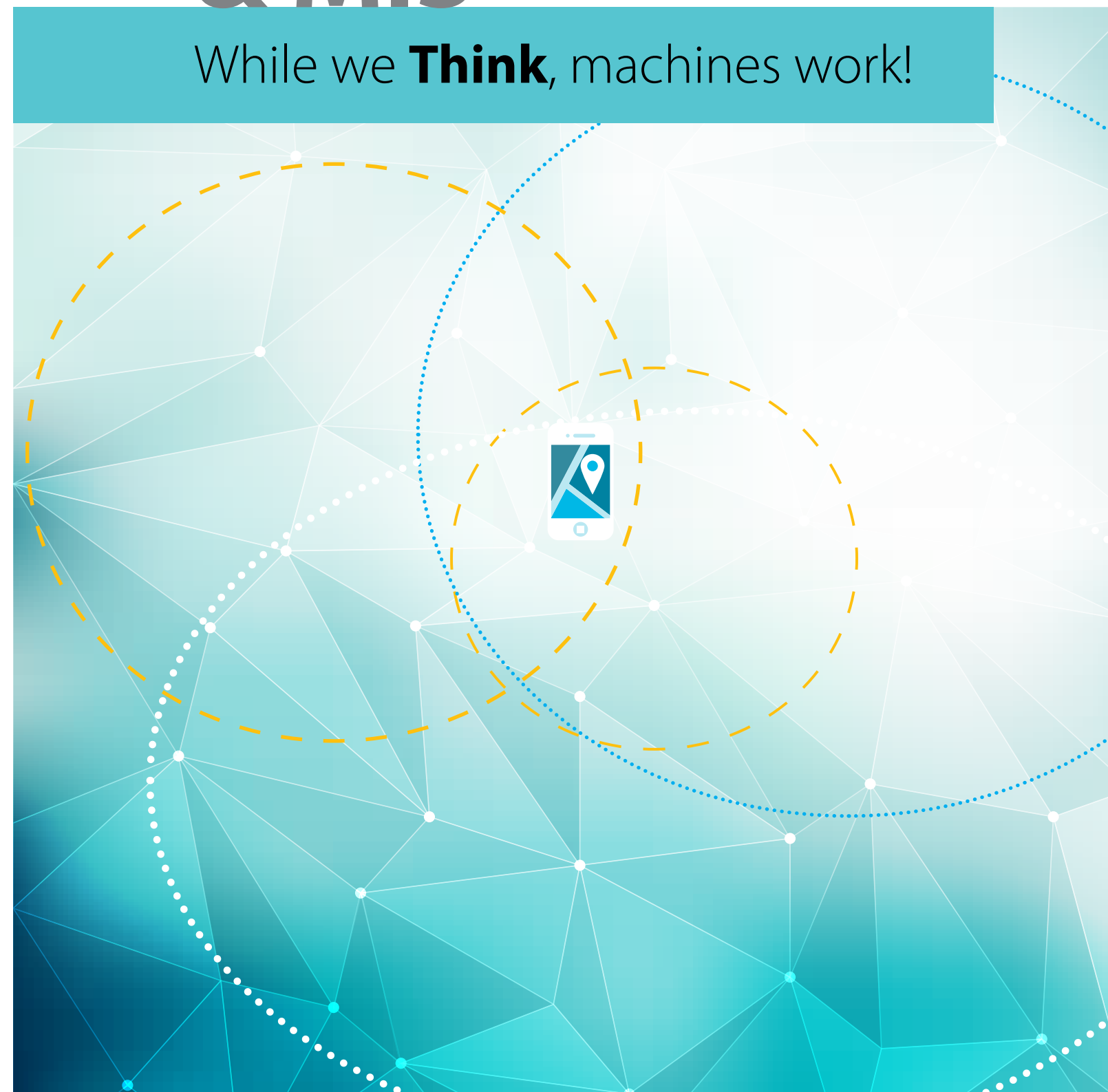
Apart from the financial assistance, Moyari SHG was also benefitted by the Financial Literacy Training Programs and other related assistance provided by Annapurna, which gave them an edge at better bargaining and marketing of their products. They intend to sell their products at the SARAS exhibition and other trade fairs this year.

The benefits of being associated with Annapurna has obligated Moyari SHG to look for longer association with the company. With constant savings and regular repayment of monthly instalments, the SHG seeks more assistance from the company so as to become a cluster in the coming years.

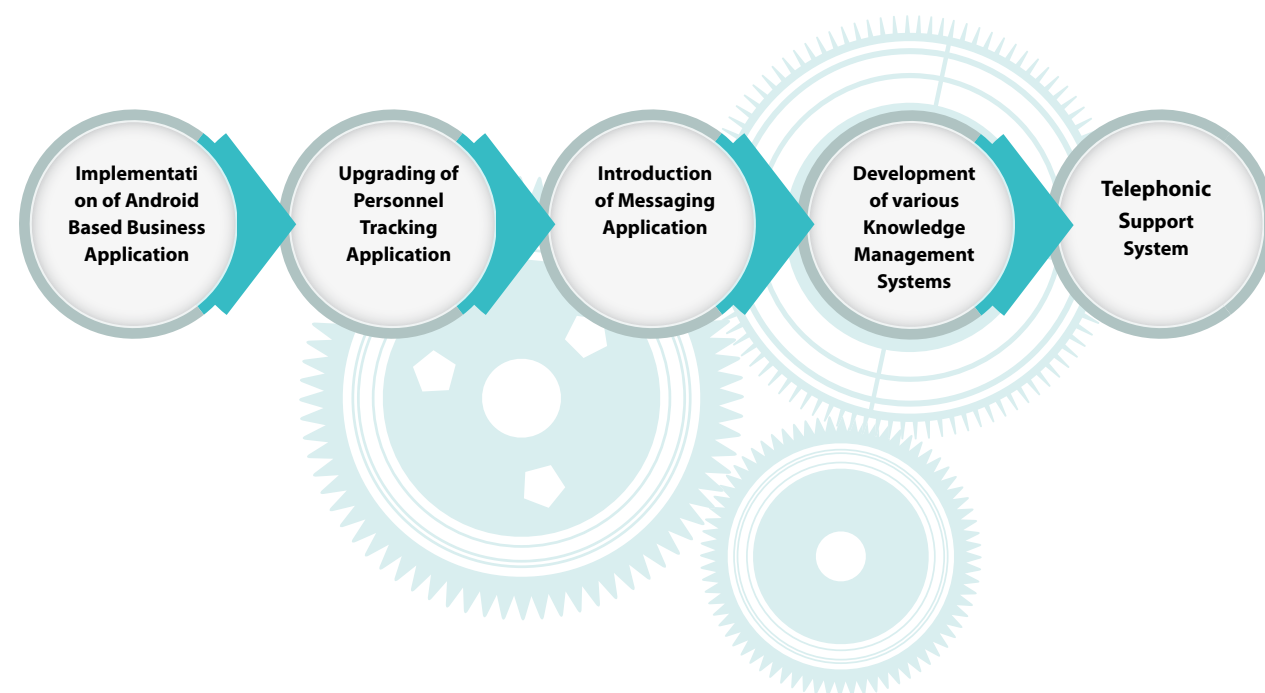


Information Technology & MIS

While we **Think**, machines work!



As one of the fastest growing organization in the sector, Annapurna Microfinance strives for upgrading itself in the dimensions of technology by introducing new interventions to the processes involved in order to ensure smoother functioning and more efficiency. The following have been the new milestones crossed by the department during last one year:



MIS at Annapurna has been significantly improving over the past years and has become yet savvier with the predominant technological advancements happening around the globe, by introducing e-FIMO, developed by Jayam solutions. This technological intervention has made the data available and accessible at all the levels.

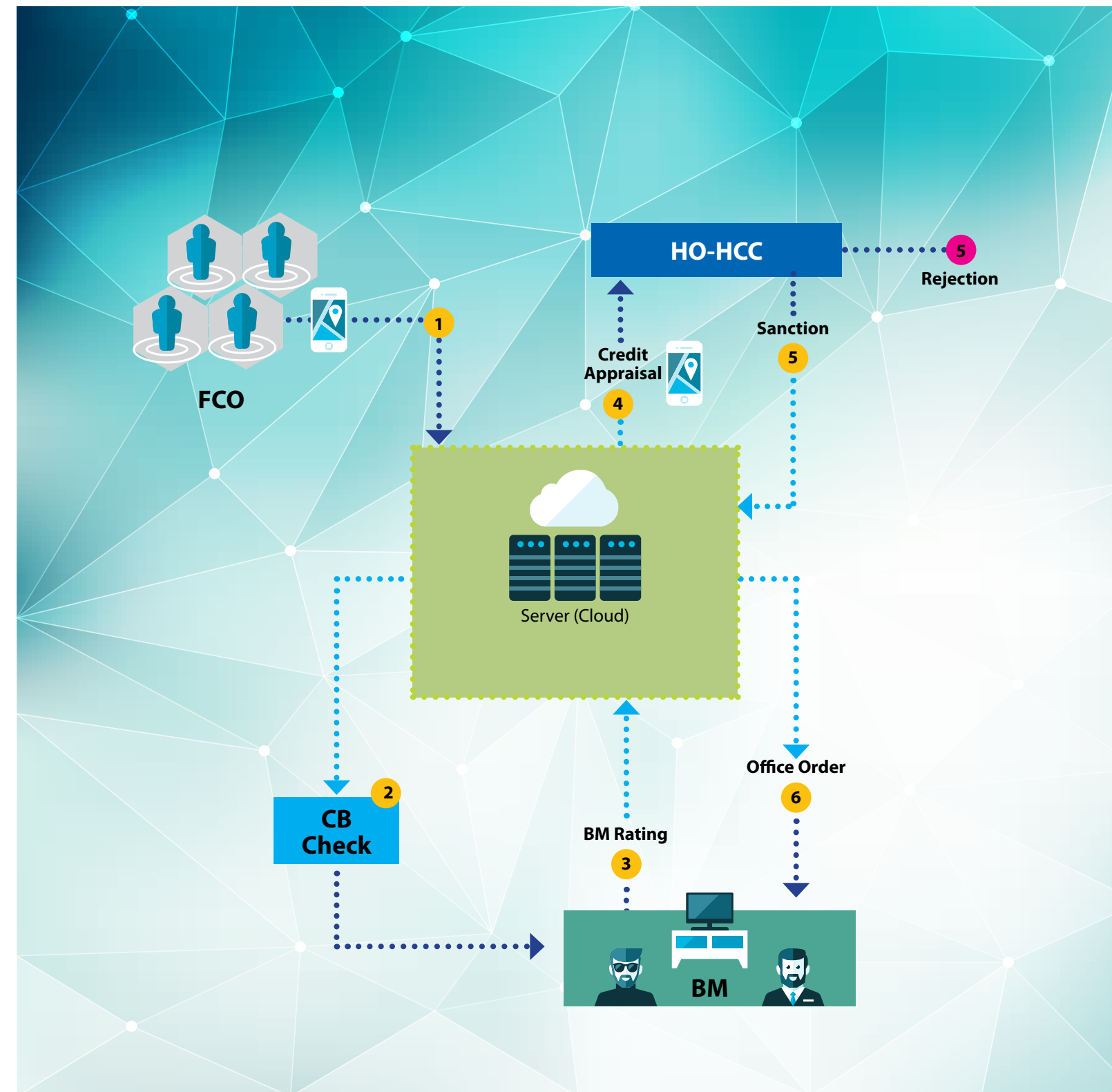
Company maintains its loan portfolio information at branch and head office level. This operational data is maintained in this software.



About e-FIMO

e-FIMO is an online system, that means, it can be easily accessed at all the levels and by all the branches at Annapurna. For accessing information at different branches, state MIS team has a primary control over it. This facilitates flexibility and faster processing along with real time updates.

Information Flow





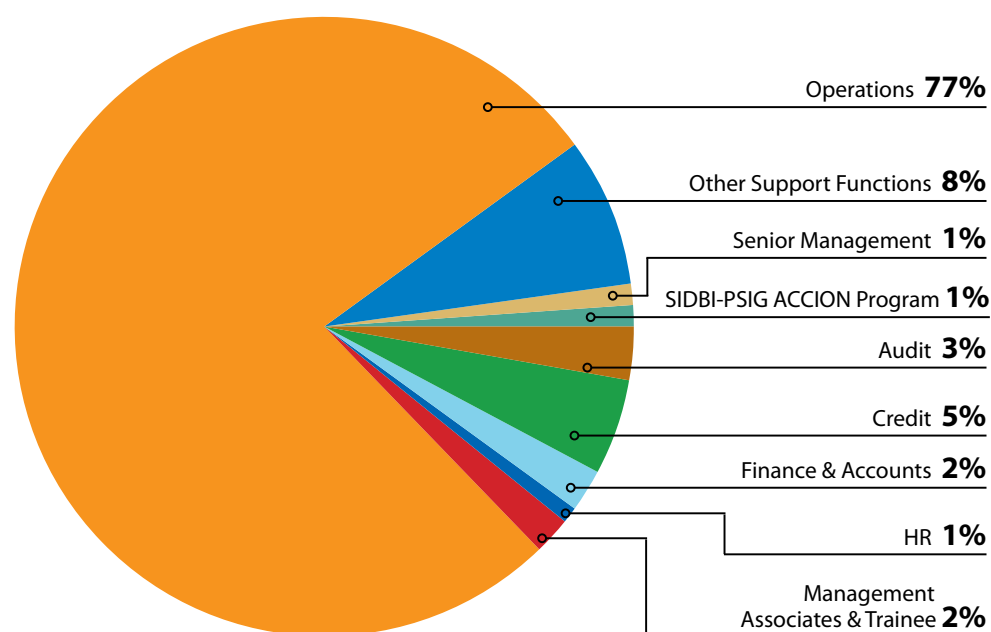
Human Resource Management (HRM)

We don't increase our **Employee Base**, we strengthen our **Family** ties.

In the FY 2015-16 Annapurna witnessed a great transformation in HR, as it saw inflow of talents from top rural focused management schools in India. The year started with the challenging task of recruiting, retaining & developing the most valuable asset of the organization, i.e. the human resources. All through the years, Annapurna has given emphasis on building a committed workforce with a special orientation to the development sector. It is not just about the number of employees that Annapurna focuses, it is more about the quality of employees that redefine the professional ethics with a social touch.

Being a service oriented organization with its prime focus on women empowerment, it is extremely important for Annapurna to build a workforce that can transform itself in accordance with the changing scenario of the industry as well as the field level. This maintains an ethical, dedicated & satisfied workforce which will deliver prompt service maintaining high ethical standard.

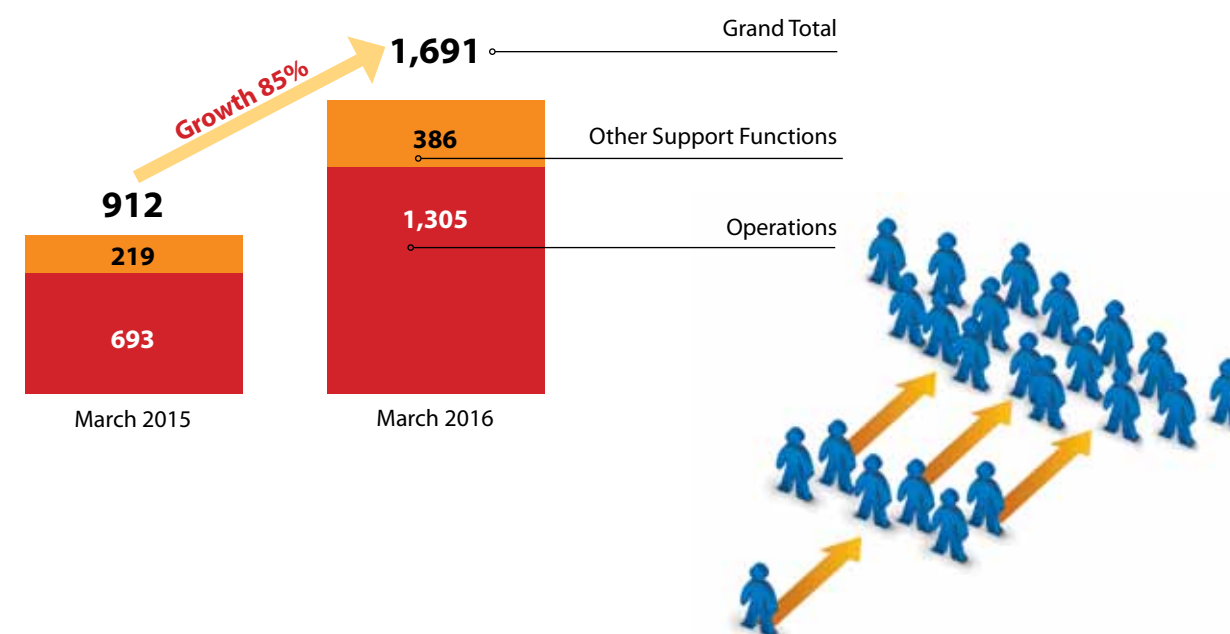
Manpower Distribution



Around **77%** of the total employees are working in the operations department & **23%** are in other functions.

Highlights

- The year witnessed an incremental growth of 85% in human resources as the number of employees increased to 1691 in Annapurna.
- Annapurna implemented Human Resource Management Software for maintenance of HR records. The HRMS has been useful in reducing paper work and in providing a virtual platform for all employees to access the information pertaining to HR. It is also in convergence with our policy to reduce our carbon footprint, and cut the use of paper printing across all levels.
- The new initiative of “Mentor & Protégée” is introduced which ensures that appropriate training & handholding is extended to the new recruits & the values of Annapurna is transmitted to the upcoming generations. This will not only help them in professional grooming but will also let them understand the nuances of microfinance as well as the organisational architecture of Annapurna.
- Annapurna has assigned a training department that exclusively works for enhancing the effectiveness of trainings in order to bridge the skill gap between desired and actual output of the employee. The department periodically organizes different need based training programs at various locations including the head office.
- Annapurna introduced vehicle loan policy for employees at an affordable interest rate to purchase two wheelers. This was one of its initiatives to support, particularly the field staff, as a two-wheeler is a bare necessity to visit the customers’ locations in the respective operational areas.
- Apart of providing ESIC facility to eligible employees, Annapurna has ensured the safety of the health & safety from uncertain events of all employees by insuring them under Group Health Insurance & Term Insurance schemes.



Recruitment

With an objective of enhancing the quality manpower, Annapurna carried out recruitment drives from various sources like walk-in-interviews, campus recruitment from premier b-schools, National Career Service (a Govt. of India initiative), DDU-GKY program (Deen Dayal Upadhyaya-Grameen Koushal Yojna, a Govt. of India initiative), Job Fairs organized by District Employment Offices, ICICI Skill academy to name a few. More than 160 candidates were selected from the DDU-GKY and about 60 candidates were given appointment from ICICI Skill Academy during the year.

Annapurna also participated in campus recruitment drives to rope in talents from top rural-focussed Institutes during the year. As many as 33 management associates were recruited from top B-Schools like XIMB, IIFM, XISS, EDII, XIMJ to name a few, and were placed in different departments at Annapurna.

Talent Management

Annapurna has developed a comprehensive performance management system using 360-degree feedback mechanism. The Performance appraisal process is transparent & fair. Based on the appraisal a total of 216 employees have been given promotion, and others have been given performance based increment to take up enhanced roles & responsibilities in the company.



Training & Development

Management at Annapurna considers training as a key instrument for overall professional development and retention of employees. During the year, Annapurna has conducted about 80 training programs in which more than 1500 employees were trained.

The trainings imparted during this year included inputs on organisation's mission, vision & values, operational architecture, product & process, delinquency management, team building, leadership training etc. The training programs aimed to equip the new recruits with knowledge on values, products & process of the organisation.

Refresher trainings were conducted in regular intervals to keep the employees updated about the changes in microfinance norms, RBI guidelines and any changes in the operational guidelines.

Risk & delinquency management trainings were included in Refresher Trainings to ensure the employees are motivated to maintain a healthy relationship with the customers & thereby contributing to achieve the overarching objectives of serving the unserved women in the agrarian areas of the country.



Type of Training	Number of Programs	Number of Employees Trained
Induction Program	57	1,056
Product Training	6	146
Refresher & Other trainings	18	38
Grand Total	81	1,540



New Recruits at the Induction Program

Best Performer's Meet

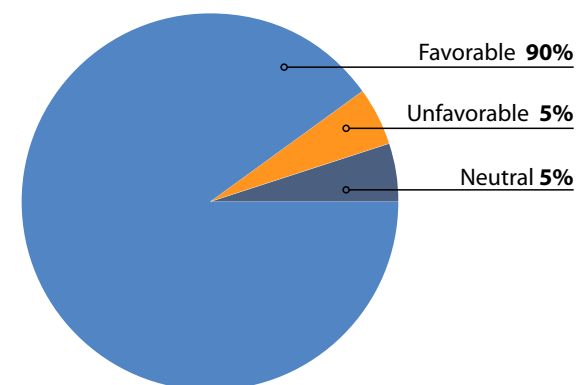
Annapurna recognised more than 400 employees as "Best Performers" who produced outstanding contributions & excellent performance in their respective fields and at various levels. Best Performer's Meet is an initiative of Sr. Management to appreciate, reward and retain the top performers; besides it provides all of them an opportunity to understand each other's work during the two days' event. The selected employees were invited from all of the operational states to take part in this year's meet at Puri, Odisha.

Employee Engagement & Satisfaction Survey

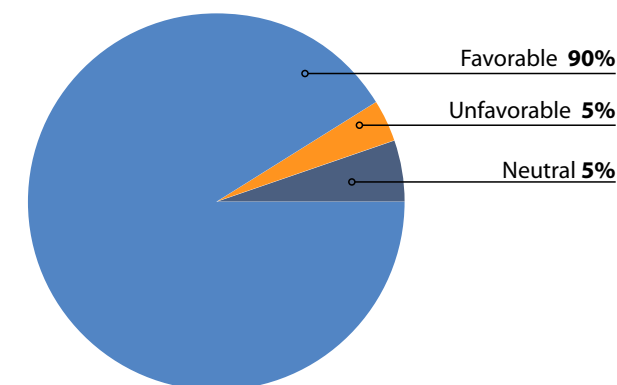
The organisation conducted an Employee Engagement Survey through an outsourced consultant by engaging the employees who have been associated with Annapurna for more than 1 year. The overall satisfaction rate counts for around 90% which has been termed as "rare" by the consultant in the BFSI sector.

The following two graphs shows the calculated responses from the employees on two different parameters.

Employee Engagement - Overall Satisfaction Level



Organisation Culture



The survey highlighted the high motivation level within the employees and Annapurna's healthy work culture.

Employee Protection Policy

Annapurna has just established an "Employee Grievance Cell", which has a dedicated Helpline and Email ID for all the to share their feedbacks. The "Employee Grievance Officer" who is in-charge of the would look into the registered complaints/feedbacks and would deal with that with maintaining complete confidentiality.



CASE STUDIES
HOME IMPROVEMENT LOAN

Ranjana Swain

Home Improvement Loan

She feels grateful to Annapurna for being there during the challenging times and by assisting her in completing what she started.



Ranjana was a member of Om Sai Ram Self Help Group that was formed in the year 2013. Ever since its inception, she has been associated with Annapurna and was regular in repaying her loan instalments.

With her loan that she borrowed from the company she was into income generating activities. Gradually, her financial and social status improved. She was taking little steps to fulfil her dreams for her family. One of those many dreams was having a commodious house that would be adequate for her family.

Ranjana and her husband started by constructing a room above their then-existing house, with the savings they have had over the years. Things were moving with ease, till they had to discontinue their construction because of an unavoidable expense they had to endure. This made them cease the construction further as they didn't have adequate finance to complete the construction of their house.

Unable to meet the expenses for finishing with the construction, Ranjana's husband started seeking for help from other financial institutions, such as, banks; as well as other informal financial sources, such as, local money lenders. The exceedingly high rate of interest for the borrowers by the local landlords and the documentation formalities of banks made it nearly impossible for them to have financial access.

Soon, Ranjana came to know about the home improvement loans by Annapurna; that is aimed at providing financial and technical assistance to low income families for home improvement and reconstruction.

Considering her regularity in repayment of her previous loans from Annapurna, she got the loan from the company. She took a loan of INR 60000 for a duration of 24 months at 22% reducing rate of interest.

With this loan amount Ranjana could finish the construction. Annapurna provided her with assistance at the time when she had no place to go.



Risk Management

Promoting **Change** by
safeguarding **Tomorrow**



A disciplined approach to risk is important in MFI industry where the whole business model is driven by the collateral free loans to the low income women. Company's business model identifies, measure, aggregate and manages the risks meticulously. It evaluates the risk at individual customer level and an aggregated risk at geographic, sector and product level.

Annapurna has put in place a risk management system to ensure that all the anticipated risks are within the approved risk appetite and are adequately compensated. To address various risks to which the company is exposed to, the organization has put in place a sturdy risk management architecture comprising of risk management structure, risk management policies and systematic implementation as well as monitoring systems.

Annapurna has a three-tier Risk management structure, which comprises of; Board risk management committee, Management risk committee, Risk management unit. Risk strategy is approved by the board on a regular basis and is defined based on the company's strategic and capital plan and its risk appetite in order to align with the risk, capital, and performance targets. The company also has a dynamic risk management team which is responsible for implementing the respective policies.

The company has formulated a dynamic internal board approved risk policy with the help of M-CRIL and IFC, in order to measure, manage and mitigate various risks like credit risk, operational risk, liquidity risk, reputational risk and social performance risk. It has also developed scoring systems and tools with the help of M-CRIL and IFC for portfolio monitoring, asset quality review, stress testing and branch risk scoring.

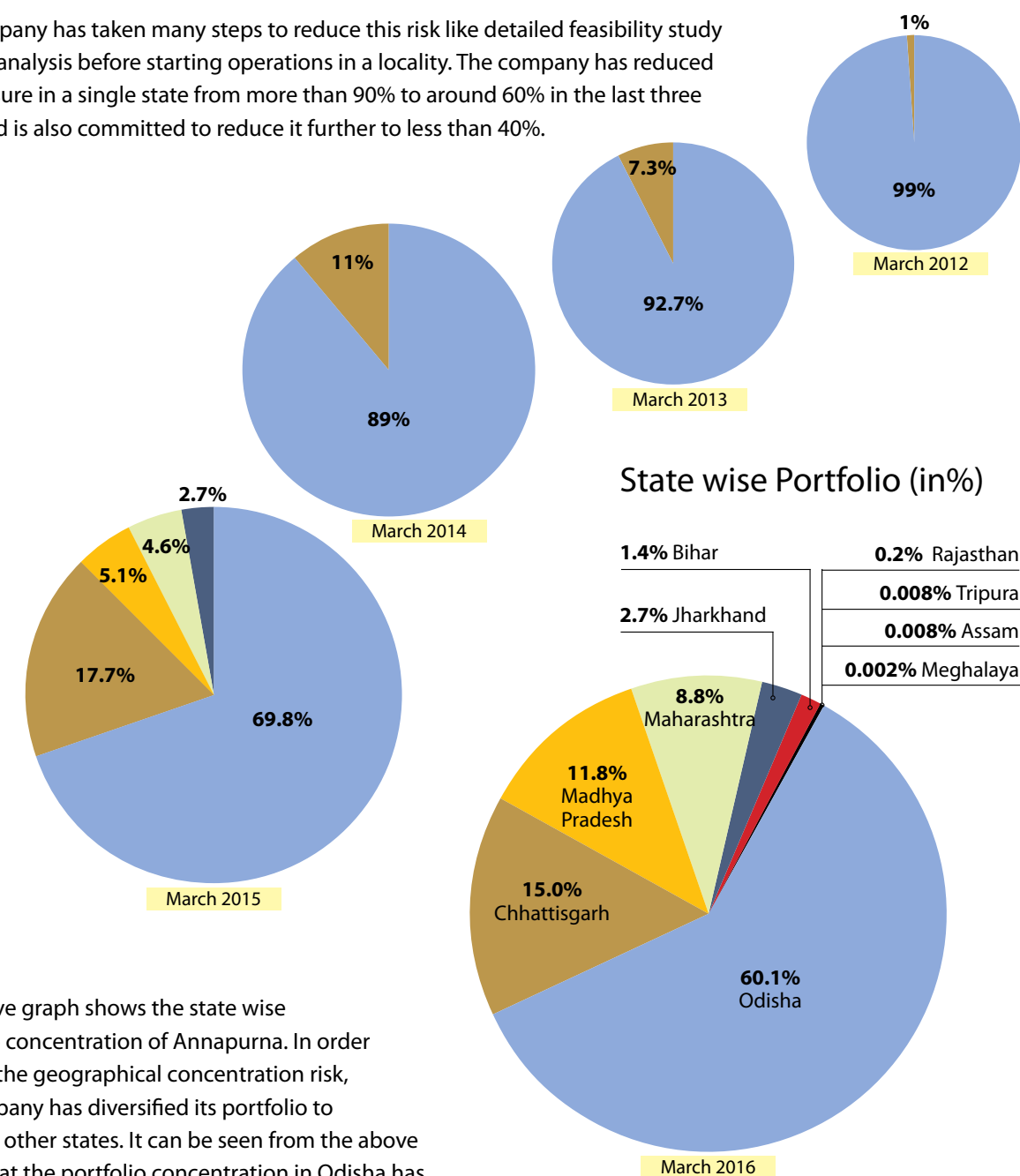
Risk Control Self-Assessment (RCSA) is periodically conducted in all the departments so as to identify key risk events and develop indicators to strengthen the monitoring of those identified risks. Inter departmental risk analysis reviews are conducted to ensure the validation of efficient risk management practices. The company also conducts regular risk awareness programs and provides training to middle level management to inculcate a healthy risk management culture in all the departments.

Data Driven Risk Management Strategy

The company uses multiple layers of data for formulating the risk management strategy. Along with the internal data it also uses Village level data pertaining to its credit nature, demographic features and data on political and culture history for an accurate risk analysis. The company is also planning to use GIS system and predictive analysis as a tool for risk analysis and business expansion.

Geo-political Risk

The company has taken many steps to reduce this risk like detailed feasibility study and risk analysis before starting operations in a locality. The company has reduced its exposure in a single state from more than 90% to around 60% in the last three years and is also committed to reduce it further to less than 40%.



The above graph shows the state wise portfolio concentration of Annapurna. In order to avert the geographical concentration risk, the company has diversified its portfolio to different other states. It can be seen from the above graph that the portfolio concentration in Odisha has come down from 99% to 60.1% in the last five years.

With the help of IFC (International Financial Corporation), a portfolio concentration threshold tool has been developed and integrated to MIS systems to continuously monitor and reduce the portfolio concentration at various geographic levels like branch, district and regional level. Decisions related to branch targets and new branch opening are made keeping in mind of those thresholds.

Diversification of funding source

The company has managed to diversify its funding source to reduce the dependency on few lenders and improve the bargaining power. The company has increased its lender base to 31 lenders, which includes 16 public sector banks, 8 Private sector banks and 7 FIs and NBFCs. As a part of risk management policy, internal limit of 7% per lender has also been set for individual lender exposure, which is monitored in a quarterly basis by ALM committee. Among the lenders, Blue Orchard has the highest exposure of 9% followed by Triodos Investment Management with 8.86%, Symbiotics with 8% and NABARD with 7% exposure.

Sl. No.	Name of Bank/FI	Loan Type	Closing Balance (In INR Mn)	Exposure (%)
1	Blue Orchard	NCD	774	9.09
2	Triodos Investment Management	NCD	754.5	8.86
3	Symbiotics	NCD	688	8.08
4	NABARD	Term Loan	600	7.04

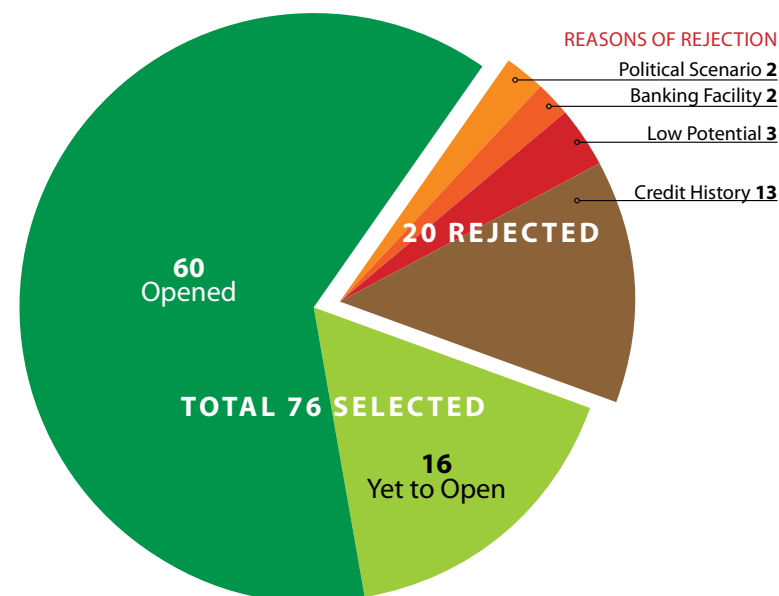
Credit Risk

The company from the beginning has established a separate credit and appraisal department, aiming to improve the portfolio quality. Unlike the other microfinance players in the industry, this step has helped in differentiating the loan origination from loan underwriting.

New branch selection

The company is going through a rapid growth stage, which is associated with high probability of wrong area selection for operation resulting either in high delinquency or low profitability. The company has minimized this risk by introducing three level clearances for new branch opening. The process starts with detailed ground survey by operation department, followed by secondary survey by risk team using the credit quality reports of the area. The area is evaluated on eleven parameter matrix which covers business potential, credit risk, and political risk, thus leaving no chance for wrong area selection. The total turnaround time involved for new branch opening is 24 days.

Exploring New Branches (Total approached: 96)



Liquidity Risk

Liquidity risk is the risk that arises due to mismatch in the maturity pattern of assets and liabilities, leading to a situation where the organization is not in a position to impart the required liquidity into its system. The company has given the liquidity management its due importance, where the liquidity is monitored frequently by ALM committee through dynamic liquidity plan and other traditional ratio analysis, aligned with the company's operation projections. The company also has a robust liquidity contingency plan in place to deal with the emergency liquidity crisis like situations.

The company has formulated an investment policy to efficiently manage the idle fund in the system, where the surplus funds invested in suitable instruments that ensure safety of principal and high degree of liquidity. The fund selection is done among 100% debt liquid funds on the basis of AMC, reputation of fund house and external rating of P+ or equivalent.

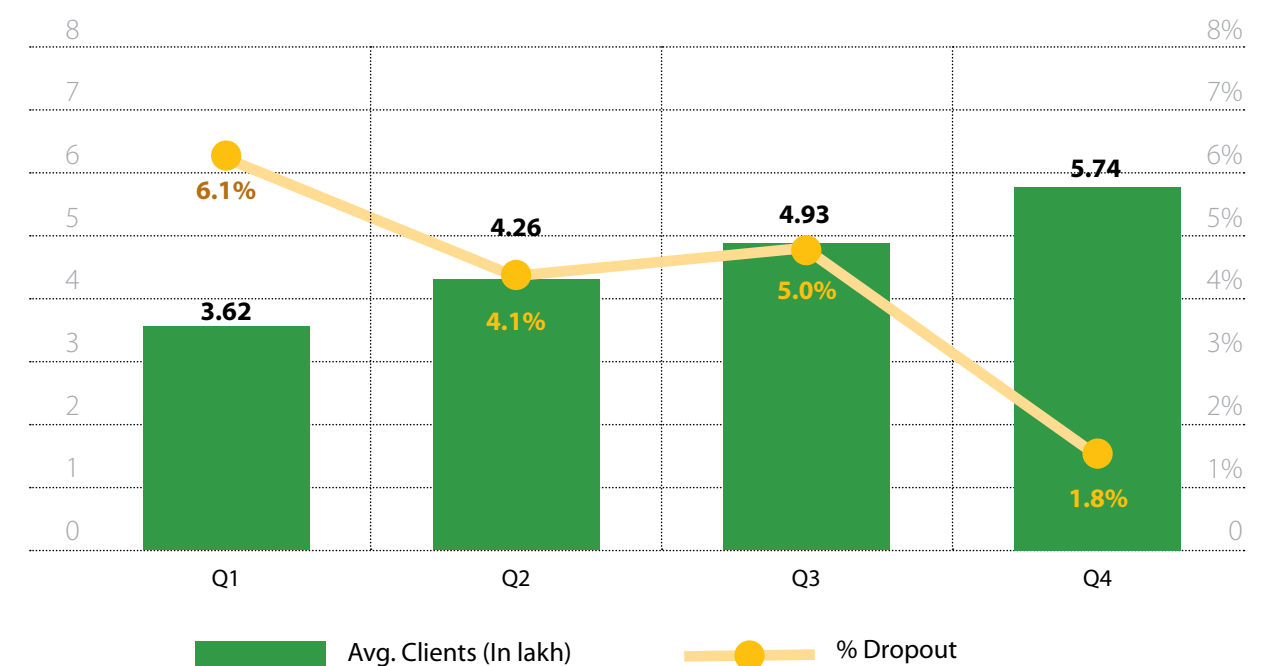
Client Retention

The company with its triple bottom line approach has been able to maintain a long term sustainable relationship with its borrowers. From the business point of view, the retention of borrowers'/repeat borrowers helps in reducing the administrative cost, lowering the risks of defaults, thereby fosters the productivity in the organisation. Annapurna follows CGAP definition for classifying drop out i.e "a client that voluntarily did not take a follow on loan within the next 6 months." The time duration is modified based on the operation procedures of the company.

AMPL in the last financial year has witnessed a client dropout of 17% with voluntary dropout accounting to 6%. The major reason for increase in client dropout is identified as stress in financial capacity of its clients owing to continuous drought in its operation.

The company has taken counter measures to improve the situation; like reduction in product pricing for existing customers, reduction in turnaround time for loan delivery etc. These measures have shown improvement in the client retention as the last quarter dropout figures has dipped in comparison to the previous quarters.

Client Drop-out in 2015 - 16



Kuni Swain SWASTH Loan

She was adamant at refusing to defecate in open, and Annapurna backed her decision with the financial support that she needed.

Kuni Swain belonged to Maa Santoshi group of Balipatna, Odisha. She has been an avid customer of Annapurna. Her association with the company has been for a few years now, as she is a third cycle client of the company.

Though it was quite a common practice for the inhabitants of Balipatna to defecate in open, majorly because of lack of awareness of the ills associated with open defecation. However, Kuni began to realize it when her children weren't keeping well and were suffering from various infections.

During one of the sensitization camps organized by Annapurna, Kuni came to learn the importance of having a toilet, this made her decision to construct a toilet more firm. Without any further delay, she applied for the SWASTH Loan provided by Annapurna and received a loan of INR 15000 at a reducing rate of interest of 22% for constructing a new toilet at her home. Annapurna assisted her in constructing a toilet and thereby in helping her family to lead a healthy life.




Brief Introduction & Appraisal process

Annapurna has set an independent credit department which plays the role of taking all sorts of credit related decisions. Credit department in Annapurna is based at both field and head office level. Appraisal officers visit client's residence and cross verify KYC and other related documents to assess a particular client's repayment capacity, and overall indebtedness. At head office, a dedicated team of management associates are constantly engaged in proper implementation, monitoring and revision of Annapurna's lending policy as per norms of external and internal guidelines. As a standard procedure the loan proposals come for consideration in Head Office Credit Committee (HCC), which further takes the final call on either approval or rejection of the loans.

Training-cum-orientation of appraisal officers for Individual Loan products

- 1.** In FY16, new individual loan products were launched and offered to our clients. Accordingly Annapurna has organised various training programs for appraisal officers for better credit analysis of these products.
- 2.** During the year, training session on technical and financial analysis of Home improvement & Dairy loan proposals has been organized in different zones.
- 3.** Review-cum-refresher training sessions were organized for SWASTH product in all the operational states.
- 4.** Training sessions on causes of group pending/rejection or shortcomings were scheduled to help them minimize the cost so as to enhance the economies of scale in operations, and thereby building a sustainable and quality portfolio.

Appraisal process through Android application

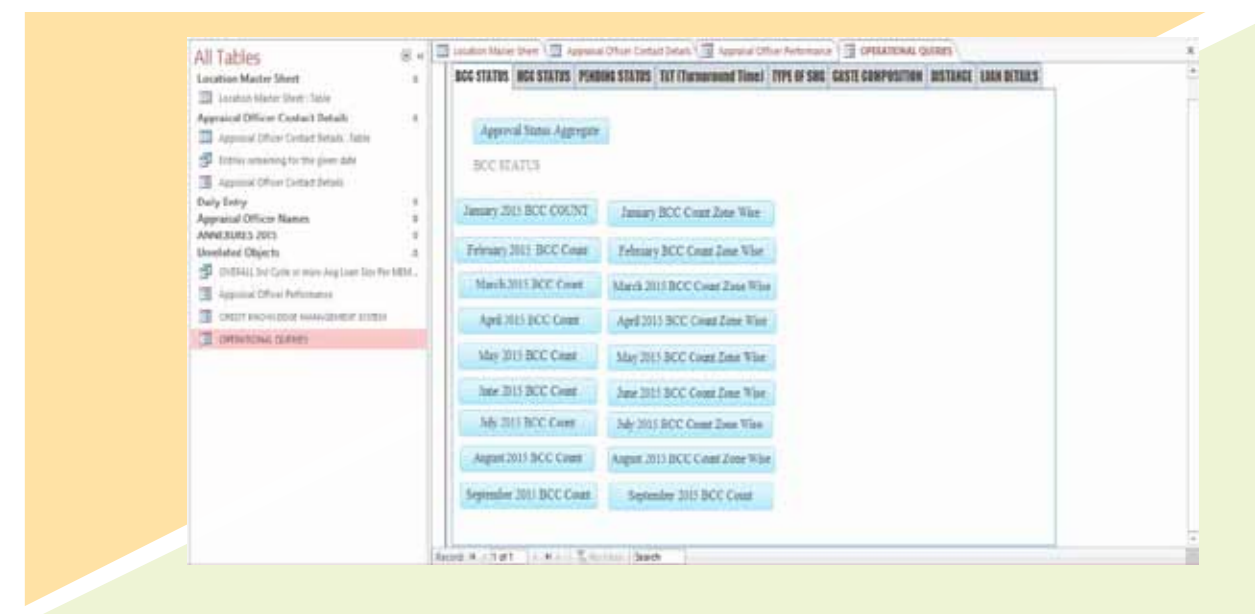
- 
- Appraisal form is filled in the Android device via the Android application and uploaded in the presence of Internet connection.
 - The data once uploaded automatically creates the Annexure-4 document with all the details from proposal, BM rating and appraisal forms filled automatically.
 - The time between appraisal and disbursement is reduced significantly.
 - Appraisal officer are provided with Android Smartphones to better understand and implement the appraisal process in the field.
 - This application has been successfully implemented in all operational states of Annapurna.

FY 2015-16 : A Brief Snapshot



Credit Knowledge Management Systems

Credit department in support with technology team has designed Knowledge Management System (KMS) where data is extracted from annexure-4 and stored under various categories and headings. In this database there are multiple options to get reports on TAT, cycle wise loan exposure etc in various formats as required. It is also capturing and recording data related to the performance indicators of appraisal officers on regular basis.

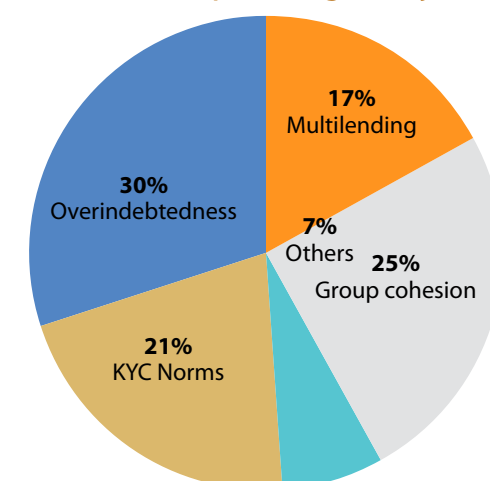


Pending /rejection of loan application

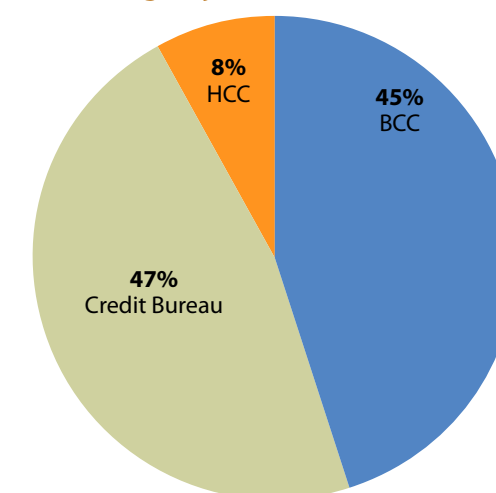
All Loan applications received during the year were either rejected or pending due to several reasons, some important reasons were over –indebtedness, multi-lending, KYC norms etc. Under group cohesion, many factors like related members in group, member house distance etc were responsible for pending or rejection of loan applications.

At different levels i.e. BCC and HCC, concerned committee ensures compliance with credit guidelines and accordingly either reject or pending any loan application.

Reasons for pending or rejection



Pending/rejection at different levels



Loanka Laloo

Income Generating Loan

Loanka Laloo was a resident of Mawngap village, Shillong, Meghalaya, where she lived along with her husband and two children.

She owned a small piece of land of less than an acre, which wasn't enough to serve her family's expenses, making it unmanageable for them to make a living out of it. In order to accommodate with the situation, Loanka, along with her husband had to work on leased farms as agricultural labourers.

When Loanka came to know about the loan offered by Annapurna Microfinance, she thought of starting her own business and put an end to their hand to mouth state. Taking into concern her financial constraints and insufficient land possession, availing a loan for agricultural farming or grocery store wasn't promising. Therefore, she decided to start pig farming, realizing its untapped market opportunities and the demand for pig meat in the bordering states. Most of the ethnic groups in the North-Eastern states have always kept pigs, as they preferred Pork meat for consumption.

She took a loan of INR 20,000 from Annapurna; and with this amount she bought the indigenous pig breed, a boar and a sow; and their fodder. Indigenous pigs are adaptable to local feed resources, therefore, the capital investment incurred was mostly for building the infrastructure and for purchasing the pigs.

The pigs have a higher feed conversion ratio, that is, they convert even inedible feeds into valuable and nutritious meat and the sows breed as early as 8-9 months, farrowing twice a year producing 6-12 piglets during each farrowing. Thus, the return on investment on pig farming was certainly quick.

Along with selling the meat of pigs, she also uses their litter as a farming manure in her field.

Loanka's economic condition has significantly improved by the intervention of Annapurna. She seized the market opportunities and made most of what was available with her. Today, she talks about her association with the company for her future investments to scale up her business.



Insurance

Protection against **all odds**

AMPL has tied up with three different insurance providers – Bajaj Allianz Life Insurance, Reliance Life Insurance and HDFC Life, for Group Term Life Product (insurance) for its borrowers.

Annapurna, under this policy, gives an option to the borrowers, to enroll their spouses. In case of unfortunate demise of the borrowers or their spouses during the loan tenure, the insurance helps them to repay the remaining installments (the principal part) and the rest amount is directly being paid to the beneficiary by the insurance company.

The status of claims for the last four years

FY	Total Claim Lodged		Total Claim Amount		No of Claims Settled		Total Settlement Amount	
	Member	Spouse	Member	Spouse	Member	Spouse	AMPL	Nominee
2012-13	12	31	1,80,000	4,65,000	12	31	4,25,000	2,20,000
2013-14	117	208	17,55,000	31,20,000	112	189	22,55,000	10,56,000
2014-15	336	468	50,40,000	70,20,000	312	449	76,10,000	38,05,000
2015-16	1,032	1,373	1,54,80,000	2,05,95,000	482	698	1,18,00,000	59,00,000
TOTAL	1,497	2,080	2,24,55,000	3,12,00,000	918	1,367	2,20,90,000	1,09,81,000

The Settlement of death claims was proving to be a cumbersome and time taking process, as the cheques expired in 3 months, resulting in stale cases and hence causing delay in the whole process of settlement. This resulted in introduction of prepaid card based payments for all such stale cases. The prepaid cards were introduced in partnership with DCB Bank, Bajaj Allianz life Insurance Co, and M2P solutions as technical partner. The whole process started in December'15 and 250 units of cards were procured as on March'16, to ease the process of death claim settlements.



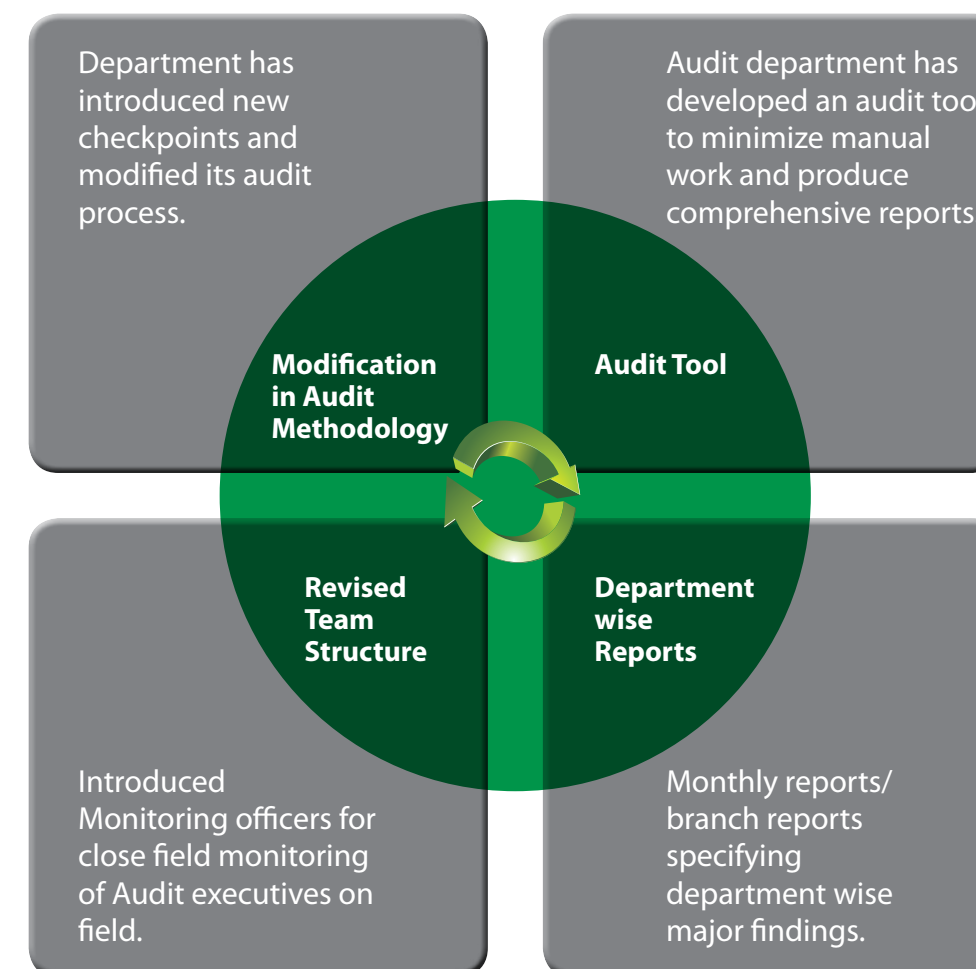
Internal Audit and Control Systems

Achieving growth **through conformity**

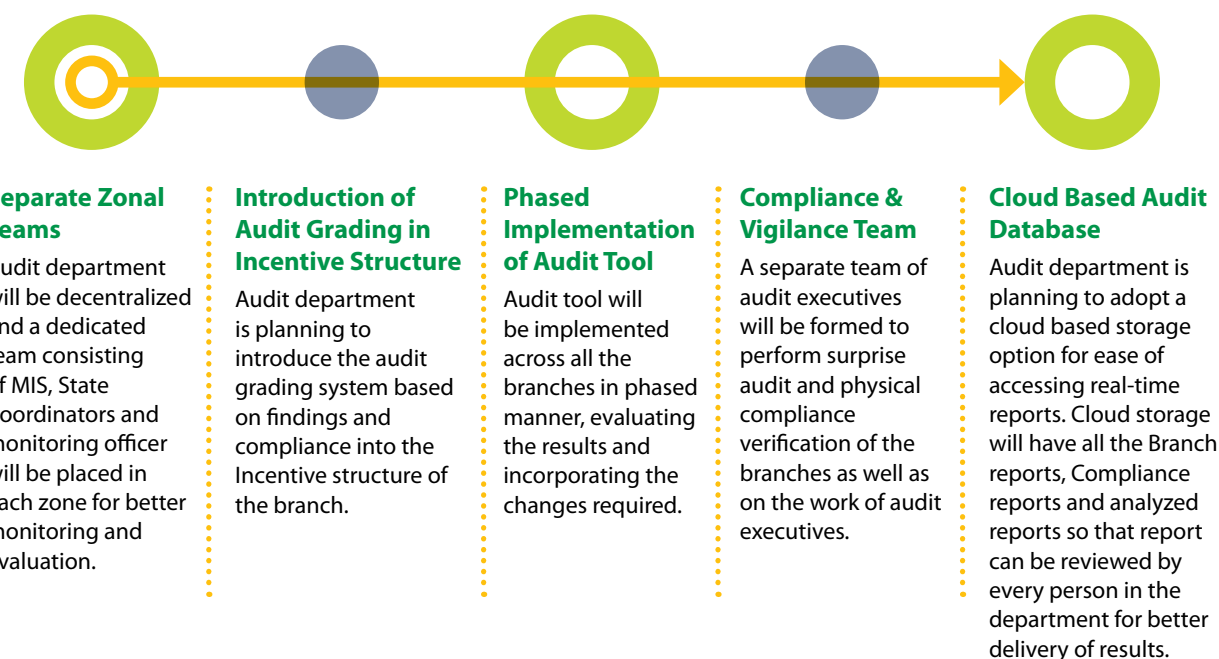
As Annapurna grows in its size, a robust internal audit process is a pre-requisite so as to ensure effective control over various operational risks. Considering this, the company has established a strong control mechanism and the associated responsibilities are being efficiently handled by a team of 50 professionals.

The department conducts establishment audit, branch audits and field audits. Every branch is supposed to be audited at least once in a quarter including both scheduled audits and surprise audits. Annapurna has a strong team of dedicated audit executives who perform audit at branch level. Audit team carries out the branch and field audit as per the monthly schedules prepared by audit managers depending upon the performance, risk associated and adherence to the compliance by the branch. The Department is headed by senior management personnel who reports directly to the Audit Committee consisting of the Board of Directors of the company.

New Initiatives taken in FY 2015-16



Way Forward



Grievance Redressal Mechanism

Annapurna follows a customer centric approach in all its operations and processes, and believes that in addition to the increasing outreach, it is essential to retain the existing customer base and offering value propositions to its clients.

Annapurna has a coherent grievance redressal system in place to address clients' grievances and queries. The company has installed many checkpoints and systems through which a client can file his/her complaint. A customer can launch their complaints through complaint box, complaining to Branch Staff, calling on Toll-free complaint number or to Grievance Redressal Officer. Company promises to solve the complaint within a time frame of 30 days after which a client can complain to SRO (MFIN) or RBI.

Annapurna takes due care to educate its clients about Grievance Redressal Mechanism (GRM). All the clients are iterated at several steps during the loan process, like, at the time of proposal building, at the time of disbursement, during the audit visits about the grievance process and different contact point.

Improvement plan for the coming year

Outbound Call system



Annapurna will soon start an outbound call system. Under this the Grievance executives will start calling clients randomly for their feedback about company's services.

Increase visibility



Annapurna repeatedly ensures that the clients are well informed about the GRM during the loan cycle. Furthermore, it has planned to take comprehensive steps to step up the visibility of GRM tools and improve awareness among clients in the coming months.

Miss Call Call Back System



Annapurna plans to introduce a miss call-call back system under which if a client does not wish to call s/ he can just give a miss call on the given no and call will be made immediately from company to attend the customer grievance.

Feeding Grievance number into customer Mobile



Taking a step further to strengthen the Grievance redressal, company will start the process of feeding Customer Grievance Number into the mobile of each borrower for their ease of filing any complaint.



Social Performance Management at Annapurna

Delivering manifold to our **Society**
for every rupee we make.

This year Annapurna underwent different assessments and evaluations to test its alignment with the Universal standards of Social Performance Management, and follow the best practices for client protection.

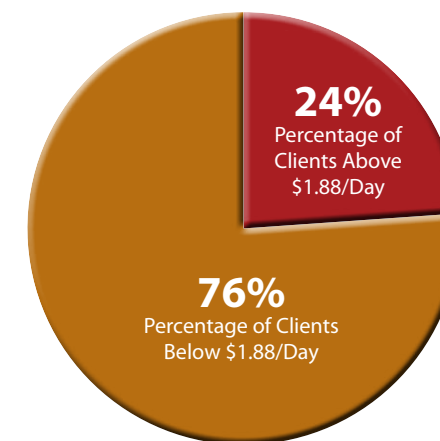
The company underwent an assessment for its client protection for which it was awarded with the Smart Campaign's Client Protection Certification in April 2016. The Smart Campaign's Client Protection Certification program publicly recognizes those institutions providing financial services to low-income households whose standards of care uphold the Smart Campaign's seven Client Protection Principles. These principles cover important areas such as pricing, transparency, fair and respectful treatment and prevention of over-indebtedness. Annapurna has always had a strong commitment towards protecting the rights of its clients, but this independent validation lends credibility and demonstrates to the community and the industry that this Company continues to work every day to improve their services and commits to follow best practices in microfinance.

The Company also underwent a Social Rating through Microfinanza Ratings, Italy. Annapurna was assigned a social Rating Grade of A-. It indicates that the Company has good social performance and client protection systems, and the social mission of the organization is likely to be achieved. The report states that the Company's governance fits the institution's level of complexity. The Board displays good supervision and strategic guidance capacity, and is committed at maintaining the focus on the company's social mission and its objectives that are primarily set by management at the company. The company complies with the client protection regulations, and displays a good alignment with the international best practices. The exposure to risk is mitigated with well-articulated internal controls, focus on client repayment capacity, and the effective use of credit bureau. CSR is a strategic priority and related policies are well formalized. The social rating also covered areas related to outreach, and quality of services to the client.

Poverty Profile of AMPL clients using PPI

The result of Purchasing Power Parity (PPI) shows that 76% (75.89% to be exact) of AMPL clients lives below \$1.88 at PPP - as on March 2016.

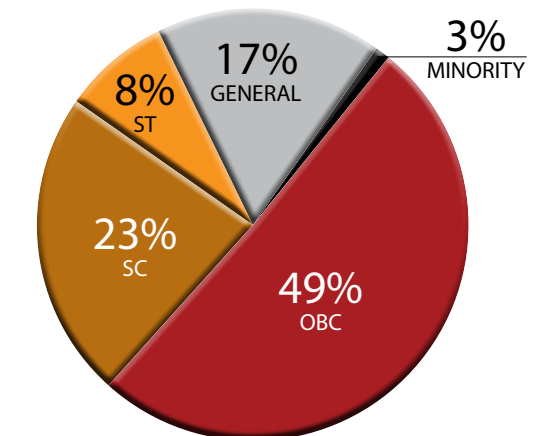
Note: The International poverty line based on \$1.25. Annapurna uses \$1.88 line to increase the scope of poverty measurement.



Annapurna's Outreach

Annapurna's forte lies in the inclusive growth of the unserved and unreached, therefore 85% of its operations are in rural areas and amongst its borrowers, 83% belong to Scheduled Caste, Scheduled Tribe, minority, and Other Backward Classes.

Caste wise composition

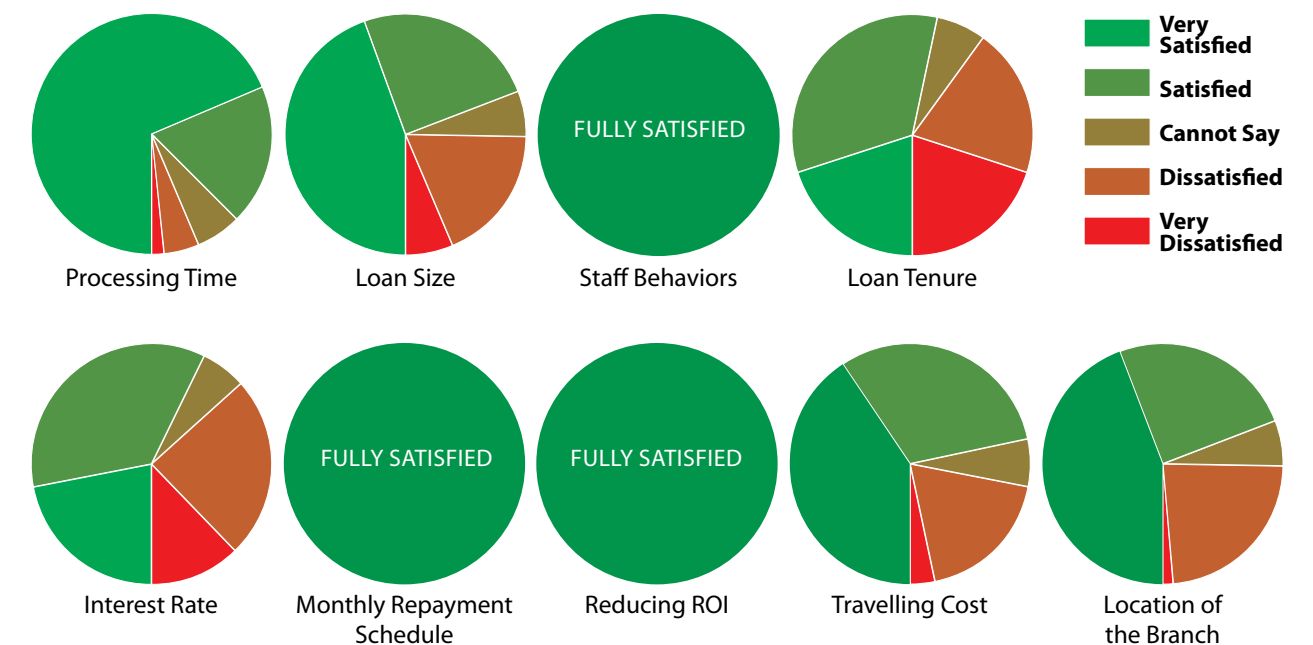


Environmental Norms that Company conforms to:

- In terms of environment conservation, the Company has its own environment policy, and it is in alignment with the IFC's exclusion list.
- In its lending activity, Annapurna lends only to those businesses which do not pose any inherent danger to the environment, apart from health and safety issues. The underwriting team strictly adheres to the exclusion list of the company before making the lending decision.
- The company has also been promoting the use of safe water, sustainable toilets and discouraging open defecation, to create a better environment.

Client satisfaction Survey

Client satisfaction Survey 2015-16 showed that the clients were quiet satisfied with the Company's services, and highly satisfied in terms of its staff behaviour, showing the company's focus on treating its clients responsibly.





Literacy Training and Social Awareness Camps

Annapurna realizes that empowerment isn't only money centric, but is also synonymous with literacy. Considering it, Company has imparted financial literacy training through 220 financial literacy camps to over 12,000 borrowers in the past year. Along with that, it also organized health awareness camps benefitting over 300 women and children.

Apart from this, the Company created awareness regarding safe water and sanitation to over 20,000 borrowers in FY 15-16. With the aim of achieving a sustainable and inclusive growth for its borrowers, Annapurna realizes the significance of such programs, and has planned for more such camps and trainings for the year ahead.



CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

Being a financial institution and having its emphasis on financial activities, Annapurna acknowledges that governance principles of highest standard would not only enhance its reputation as a growing Microfinance Institution, but also ensure its stability during the fluctuations in the economy.

For Annapurna, corporate governance isn't a regulation; but a responsibility that follows sound governance process, best business practices and fulfills its obligations to customers, investors, stakeholders, directors and employees to have a long term association with all.

Company is aware that being a financial institution, it becomes paramount to have an ethical code of conduct that would ensure transparency, accountability, fairness, empowerment and being environment conscious. It has made its best endeavor to uphold and nurture these core values across all aspects of its operations, and has remarkably reduced conflict of interest at all the levels.

Board Representation

Composition and Category

The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

The Board of the Company consists of eight Directors with two promoters Director, two independent Director and four Nominee Directors.

The composition of Board of Directors is as under:

Name of the Director	Category	DIN No	No of companies in which s/he is Director
Mr. Gobinda Chandra Pattanaik	MD cum Chairman	02716330	0
Mr. Dibyajyoti Pattanaik	Director	02764187	0
Mr. Krishna Kumar Tiwary	Independent Director	02914614	0
Mr. Sean Leslie Nossel	Independent Director	05327455	0
Mr. Aditya Bhandari	Nominee Director	06990144	5
Mr. Ashok Ranjan Samal	Nominee Director	00918164	0
Ms. Laetitia Counye	Nominee Director	06990144	0
Mr. R.V Dilip Kumar	Nominee Director	01060651	3

NOTE

None of the Directors of the company were members in more than 10 Committees nor acted as Chairperson of more than five) committees across all companies in which they were Directors.

None of the Directors held Directorship in more than 15 companies.

None of the Directors are related to any other Director.

None of the employees of the company are related to any of the Directors.

None of the Directors have any business relationship with the company.

None of the Directors have received any loans and advances from the company during the year

The Board of Directors of the Company appointed Mr. R.V Dilip Kumar as Additional Director of the Company nominated by SIDBI Trustee Company Limited on 24th September, 2015; and Small Industrial Development Bank of India has changed its nominee and appointed Mr. Ashok Ranjan Samal in place of Mr. Pradip Kumar Saha as Additional Director. Apart from this, there were no other changes in the board and the board is duly constituted.

Fit and Proper Criteria to appoint Directors on Board

The Company has approved a policy to ascertain fit and proper criteria to appoint a Director on the Board of the Company ensure that the policy is put in place. It also ensure that necessary Deed of covenants, declaration and undertaking has been obtained from appointee Director at the time of appointment and on continuing basis.

Quarterly statement on change of directors, and a certificate from the Managing Director of the Company that fit and proper criteria in selection of the directors has been followed, is submitted with Regional Office of the Reserve Bank and the statement pertinent to the quarter ending March 31, 2016 certified by the auditors.

Board Meetings

Scheduling and selection of agenda items for Board Meetings

Dates for Board meetings in the ensuing year are decided in advance. Most of the Board meetings are held at the Corporate office. The Board meets at least once a quarter to review the quarterly results and other items on the agenda and also on the occasion of the Annual General Meeting (AGM) of the shareholders. The Board also meets at least once in a year in other states where the Company has its operation, so that the Board can also visit some branches in that area. The Board periodically reviews the operational and financial performance, major regulatory updates, business expansion plan, review of business plan vs achievement on quarterly basis, compliance reports of all laws applicable to the Company. Additional meetings are held, when necessary.

Committees of the Board usually meet the day before the formal Board meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval. The day-to-day business is delegated to the Executive Committee consists of executives, directors and the business heads of the Company under the direction of the designated CEO and the supervision of the Board led by the Chairman. The Board holds a minimum of four meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The Board met eight times during the year under review on 20/04/2015, 26/05/2015, 04/06/2015, 27/08/2015, 14/11/2015, 01/12/2015, 27/01/2016 and 17/02/2016.

Attendance of Directors for the year ended 31 March, 2016

Name of Directors	No of Meeting held during their tenure	No of Meeting attended
Mr. Gobinda Chandra Pattanaik	8	8
Mr. Dibyajyoti Pattanaik	8	8
Mr. Krishna Kumar Tiwary	8	6
Mr. Sean Leslie Nossel	8	7
Mr. Aditya Bhandari	8	7
Mr. Ashok Ranjan Samal	3	2
Ms. Laetitia Counye	8	6
Mr. R.V Dilip Kumar	5	2
Mr. Pradip Kumar Saha	5	2

Discussions with Independent Directors

The Board's policy is to regularly have separate meetings with IDs, to update them on all business-related issues and new initiatives. At such meetings, the Executive Directors and other members of the Management make presentations on relevant issues.

Committees of the board

Audit Committee

During the year Audit Committee met four times on 26/05/2015, 26/08/2015, 01/12/2015, 16/02/2016. In the meeting dated 16th February, 2016, the Audit Committee was reconstituted to change its member compositions and the reconstituted Committee consists of the following members of Board:

Mr. Krishna Kumar Tiwary	Independent Director
Mr. R.V Dilip Kumar	Nominee Director
Mr. Sean Leslie Nossel	Independent Director

Attendance of Audit Committee members for the year ended 31 March, 2016

Name of Directors	No of Meetings held during their tenure	No of Meeting attended
Mr. Krishna Kumar Tiwary	4	3
Mr. Sean Leslie Nossel	4	4
Mr. Aditya Bhandari	4	3
Mr. R.V Dilip Kumar	0	0

Note: Mr. R.V Dilip Kumar has been replaced in place of Mr. Aditya Bhandari on 16th Feb, 2016.

The Audit Committee met in each quarter to review the Internal Audit Reports of the said quarter performed by Company's in-house Audit Team. It reviews the observation identified in the report and measures taken for the said observation by the management. Wherever necessary it also guides the Audit Team to take precautionary measures to reduce process deviation at the field level. It also reviews the Audit report submitted by the Internal Auditor (Independent Chartered Accountant) and provides feedback where ever it feels necessary.

The Committee also reviews the quarterly Financial Statement. It recommends for Board's approval of the same with their feedback on financials.

In addition to the above, the Audit Committee also gives various suggestions to the Board on review of policy and how to further strengthen the process in future.

CSR Committee

The CSR Committee comprises of four (4) Members including one Independent Director. During the year Mr. Ashok Ranjan Samal was inducted as member of the Committee replacing Mr. Pradip Kumar Saha. The Committee so far met once in the financial year on 16th February, 2016. The committee consists of the following members:

Mr. Gobinda Chandra Pattanaik (Chairman)

Mr. Dibyajyoti Pattanaik

Mr. Sean Leslie Nossel

Mr. Ashok Ranjan Samal

The CSR Committee is responsible for the implementation and monitoring of all CSR activities. The CSR policy is duly followed and in compliance with the Act.

Nomination & Remuneration Committee

The Committee consists of following members:

Mr. Krishna Kumar Tiwary (Chairman)

Mr. Sean Leslie Nossel

Mr. Ashok Ranjan Samal

Mr. Gobinda Chandra Pattanaik

During the year Mr. Ashok Ranjan Samal was inducted as member of the Committee replacing Mr. Pradip Kumar Saha.

Risk Management Committee

As per the Corporate Governance requirement under RBI guidelines, the Company has a Risk Committee at Board level consist of following members.

Mr. Gobinda Chandra Pattanaik	(Chairman)
Mr. Sean Leslie Nossel	Independent Director
Mr. Aditya Bhandari	Nominee Director

The Committee met two times during the year under review i.e. on 01/12/2015 and 16/02/2016.

It discussed about various risks involved in the microfinance operations. Company had appointed IFC to develop Risk framework and Risk assessment tools along with relevant policy on risk mitigation mechanisms. The Committee reviewed the framework, tools and policies suggested by IFC, and proposed possible suggestions for the Company.

The Committee also reviews the overdue trend report on quarterly basis and discusses the reasons of OD. The company produces all the expansion related proposals to the Risk Committee to conduct a Risk analysis of the particular area and find its business prospective. Company's Risk team also performs peer group analysis in each quarter and forwards that to the Committee for review and suggestion for the company.

Management Discussion and Analysis

The paradigm changes in the microfinance industry with the introduction of Small Finance Banks (8 out of 10 licensees are MFIs), continuation of PSL status, revision of Qualifying asset, all have geared up a new momentum in the MFI sector. Understanding the possible changes in the microfinance industry, the Company is always prepared to face any sort of challenges and move ahead. During the year, the Company has marked its presence in 10 States and has established itself as one of the leading NBFC-MFI in the country. Of these states, the Company also entered the states of Assam, Meghalaya and Tripura, marking its presence in North East part of India.

The company has strategic plans to expand its operations in more unserved/underserved areas of the country. The Company continues to operate in rural areas, covering the poorest districts across the country. Besides, its management has initiated various steps to diversify the existing portfolio by adding other loan products. The company has also added new products during the year i.e. Home Improvement loan, Microenterprise loan, Crop loan and Dairy Development loan.

As on March, 2016, the total Portfolio stood at INR. 9255.95 Mn (+132% YoY growth) and loan disbursement of INR. 10348.74 Mn (+130% YoY). The Lending Rates for our borrowers has been reduced from 26% to 23% for first and second cycle, and to 22% in third cycle.

The Company has developed Risk Framework and Risk assessment tools in association with IFC and same is now being implemented in Annapurna and reviewed by Risk Committee of the company on a quarterly basis. The said changes have strengthened the risk management of the company. To mitigate any possible risks in the operation, the company has also designed a Business continuity and Disaster management policy, which has also been approved by the Board. The company continues to reduce concentration and spread its geographical risk across states. The state concentration of Odisha has also been reduced to 60% of the total portfolio this year from 70% last year, and will continue to do so until it becomes not more than 40%.

The Company is still focused on providing customer friendly services to its members, and staff behavior is the most appreciated attribute of the service, as reflected in the client satisfaction surveys. This shows the Company's dedication towards following the code of conduct, treating its clients responsibly, and the alignment of the employees with the policies and culture of the company.

The Company continues to extensively use Information Technology across all levels and functions. From implementation of android based app for its business operations, to use of personnel tracking, Inter-office messaging communication systems, and use of knowledge management systems, the company is using technology across all departments and functions and improving its efficiency and effectiveness.

In line with the massive geographical expansion, the Company has decentralized its HR, MIS, and Credit functions, keeping in mind the requirements and challenges of different geographies. The recruitment and training also happens independently for each zone. The dedicated training team ensures that the new staff understand the Company's vision, processes, code of conduct, and ethics properly.

The Company's Board and investors comprise of persons with socially aligned goals, sector experts and people with ample experience in the development sector. The Company has significantly grown and built a strong senior and middle management team, who are capable enough to drive its growth. The management team has ample cross domain experience from banking, insurance, microfinance and development sectors. The Company believes that it will be able to expand its outreach and continue to grow, maintaining the service quality and keeping the clients at the centre of its focus.

Internal Control Systems and Their Adequacy

The company has carried out an analysis from Ernst & Young to carry out a gap analysis on the current practice and possible improvement on Internal Control over Financial Reporting (ICFR). It was observed that the Company has proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from misuse

or disposition and all transactions are authorized, recorded and reported correctly. However, suggestions were made for further improvement in the quality ICFR.

The Company has an in house Audit Department to review and check the process at field level and they carry out the Audit function on a regular interval and report their findings to Audit Committee. The Company has also appointed an External Chartered Accountant to perform the Audit at Head office level and to track all the process. The internal control is supplemented by an extensive program of internal audits, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of assets. The policies and procedures adopted by the company ensure the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

Disclosure and Transparency

At regular intervals, the Company places the following information/reports to the Board of Directors:

- Progress report on risk management system and policy along with strategies undertaken by the Company;
- Statement of conformity with corporate governance standards viz., in composition of various committees, their role and functions, periodicity of meetings and compliance with coverage and review functions, etc.

The Annual Financial Statements, also include the following details:

- Registration/ license/ authorization, etc. obtained from other financial sector regulators;
- Ratings assigned by credit rating agencies and migration of ratings during the year;
- Penalties, if any, levied by any regulator;
- Information namely, area, country of operation and joint venture partners with regard to Joint ventures and overseas subsidiaries, and
- Asset-Liability profile, extent of financing of parent company products, if any, NPAs and movement of NPAs, details of all off-balance sheet exposures, structured products issued by the Company along with securitization/ assignment transactions and other disclosures as required.

Internal Guidelines on Corporate Governance

The Company has also framed an internal guideline on Corporate Governance and approved by the Board which is in consonance with RBI Master Circular on Corporate Governance: RBI/2015-16/12 DNBR (PD) CC. No. 053/03.10.119/2015-16.

For and on behalf of the Board

Sd/-

Gobinda Chandra Pattanaik

Managing Director & CEO

CASE STUDIES
INCOME GENERATING LOAN

Pramila Behera
Income Generating Loan

“Opportunities never cease knocking the doors of an opportunist.”

Annapurna provided her with the opportunity that helped her figure her way out from mere surviving to living her life.

This statement stands true when we talk about Pramila Behera, a resident of Sananairi village, Balugaon, Odisha.

Pramila is an industrious woman who used to work incessantly and contributed to her family’s income. Despite her hard-work, she wasn’t able to make her ends meet. Her husband had a local business. To keep the wheels of her life moving, she knew that mere survival wasn’t the solution. She was an opportunist with born entrepreneurial skills. Since there was a dearth of finance, her skills were unusable.

She came to know about the loans provided by Annapurna. Being an opportunist, Pramila knew this was what she was waiting for. She applied for a loan of INR 28000 and from that money she extended her puffed rice business, knowing that it had a good demand in the local markets. She utilized the loan amount in buying the rice from local farmers during the harvest season at a bargained price.



DIRECTORS
REPORT



To

The Members,
M/s. Annapurna Microfinance Pvt. Ltd.
Khandagiri, Bhubaneswar- 751030

Your Board of Directors (the “Board”) have pleasure in presenting the Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

1. Financial summary or highlights/Performance of the Company

The financial performance for the fiscal 2015-16 is summarized in the following table (Amount in Rs. Crore):

Particulars	FY 15	%age of Revenue for FY 15	FY 16	%age of Revenue for FY 16
Income				
Revenue from operations	54.55	90.49%	139.63	92.98%
Other income	5.73	9.51%	10.55	7.02%
Total Income	60.27	100.00%	150.18	100.00%
Expenses				
Employee benefit expenses	13.95	23.15%	31.32	20.86%
Depreciation expense	0.9	1.49%	1.51	1.00%
Finance Costs	33.38	55.38%	73.98	49.26%
Provision for standard and non performing assets	2.31	3.83%	4.34	2.89%
Other expenses	4.95	8.21%	10.72	7.14%
Total Expenses	55.49	92.07%	121.87	81.15%
Profit before prior period expenses	4.78	7.93%	28.31	18.85%
Less: Prior Period Expenses (Net of Income)	0.26	0.43%	-	0.00%
Profit before Tax (PBT)	4.52	7.50%	28.31	18.85%
Total Tax Expenses	1.47	2.44%	10.12	6.74%
Profit After Tax (PAT)	3.05	5.06%	18.19	12.11%

Operational performance for the fiscal 2015-16 is summarized in the following table:

Year ended March 31	2014-15	2015-16	Percentage change
Number of branches	116	182	56%
Number of members (in Lakhs)	4.02	6.24	55%
Number of employees	895	1691	89%
Amount disbursed (Rs. in Crore)	450.67	1034.29	130%
Portfolio outstanding (Rs. in Crore)	398.22	925.6	132%

>> Movement of revenue from last year in amount & percentage.

Revenue increased by 85.08 Crores and 156% in percentage.

>> Movement of Net profit in amount & percentage.

Net Profit increased by 15.14 Crores & it is 495.18%

>> Growth of net worth in amount & percentage.

Net worth increased by 56.1 Crores & 88.12% in terms of percentage.

>> Movement of Reserve & Surplus

Reserves and Surplus increased by 45.91 Crores and by 122.54%

2. Regulatory highlights

- Prior approval of RBI in Cases of Acquisition / Transfer of Control of NBFCs - Reserve Bank of India modified the circular and increase the limit from 10 % to 26 % as mentioned below:

“any change in the shareholding of an NBFC, including progressive increases over time, which would result in acquisition/ transfer of shareholding of 26 percent or more of the paid up equity capital of the NBFC.”

- Early Recognition of Financial Distress, Prompt Steps for Resolution and Fair Recovery for Lenders – Reserve Bank has set up a procedure for early recognition of stress and reporting to Central Repository of Information on Large Credits (CRILC) which is also applicable for NBFC. According to that, before a loan account turns into an NPA, NBFCs will be required to identify incipient stress in the account by creating a sub-asset category viz. ‘Special Mention Accounts’ (SMA).
- Change in the definition of qualifying Asset – Reserve Bank of India has modified the criteria for classification of asset as qualifying asset. The changes are as mentioned below:

S.N.	Qualifying Asset Before modification	Qualifying Asset after modification
1.	Loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding INR 60,000 or urban and semi-urban household income not exceeding INR 1,20,000 would be eligible to be defined as qualifying asset.	Loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding INR 1,00,000 or urban and semi-urban household income not exceeding INR 1,60,000 would be eligible to be defined as a qualifying asset.
2.	Total indebtedness of the borrower does not exceed INR 50,000.	The limit of total indebtedness of the borrower has been increased to INR 1,00,000. Education and medical expenses will be excluded while arriving at the total indebtedness of a borrower.
3.	Loan amount should not exceed Rs. 35,000 in the first cycle and INR 50,000 in subsequent cycles	The loan amount should not exceed INR 60,000 in the first cycle and INR 1,00,000 in subsequent cycles.
4.	Aggregate amount of loans given for income generation should constitute at least 70 per cent of the total loans	Loans given for income generation should constitute at least 50 per cent of the total loans.
5.	Previous limit of INR 15,000.	The loan amount, for which the tenure of the loan shall not be less than 24 months, has been raised to INR 30,000

- Change in the Corporate Governance Guidelines – NBFC shall furnish to the Reserve Bank a statement on change of directors certified by the auditors and a certificate from the managing director that fit and proper criteria in selection of directors have been followed.
- NBFC-Auditor's Report (Reserve Bank) Directions, 2008 is modified on 01/07/2015 regarding submission of a separate report to the Board of Directors of the Company and to include the followings:

Whether the company is engaged in the business of NBFC and whether it has obtained a Certificate of Registration from RBI.

- > In the case of a company holding COR issued by RBI, whether that company is entitled to continue to hold such COR in terms of its asset/income pattern as on March 31 of the applicable year
- > Whether the Board of Directors has passed a resolution for non- acceptance of any public deposits.
- > Whether the company has accepted any public deposits during the relevant period/year;
- > Compliance with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.
- > Whether the capital adequacy ratio as disclosed in the return submitted to RBI in form NBS- 7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by RBI;
- > Whether the company has furnished to RBI the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period.
- Frauds – Future approach towards monitoring updated on 01/07/15 - NBFC should ensure that a reporting system is in place so that frauds are reported without any delay. Delay reporting of fraud cases to the Reserve Bank would be liable for penal action. Fraud report should be sent to Central office if amount involves more than 25.00 lakhs & regional office if amount involves 1.00 lakh to 25.00 lakhs. (Form FMR-1). Fraud case can be closed only when action is completed and prior approval of the Regional office of RBI is required. Further Annual Review of Fraud by Board is now mandatory.

3. Dividend

Your Directors feel that it is prudent to plough back the profits for future growth of the Company and do not recommend any dividend for the year ended 31st March, 2016 for the equity shares. Further as per the Company's common shareholder's agreement dated 21st November, 2012, your Directors recommend a dividend at the rate of 9% percent, per annum on the preference share held by SIDBI for the year ended 31st March, 2016.

4. Reserves

As per the statutory requirement under Section 45-IC of the Reserve Bank of India Act, 1934 an amount equivalent to 20 % of the profit after tax which is Rs. 3,63,79,776/- has been transferred to Special Reserve as required.

5. Brief description of the Company's working during the year/State of Company's affair

The year 2015-16 went on very well. The Company is now a reputed and established microfinance institution from the east, offering a basket of financial products to its borrowers in a diversified geographical area. During the year under review, your Company has smoothly achieved its business operation as projected. Now your Company is having a wider operational presence in ten states of India i.e. Odisha, Chhattisgarh, Madhya Pradesh, Maharashtra, Jharkhand, Bihar, Rajasthan, Assam, Meghalaya and Tripura, with 182 branches in these states and a large customer base. Taking forward its social mission, the Company is now able to provide various financial services to its borrowers and reaching to wider operational areas to deliver its services. The main focus area is still towards rural penetration and to cater the unbanked population.

Operational decentralization & strengthening of operations internal control was one of the prime objective for the year. Apart from this, the company has been working upon to bring out different loan products, and has constructive plans to come up with specialized products for agriculture and micro enterprises.

6. Change in the nature of business, if any

Since its operation, the Company's only focus has been on lending to SHGs, and there is no change in the nature of Business.

7. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There are no such Material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of this report like settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets etc.

8. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

9. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

In pursuant to the Section 134(5) (e) of the Companies Act, 2013, the Board has properly laid down its internal financial controls and ensures that the controls are not only adequate but are also operating effectively.

It also ensures the adoption of all policies & procedures for orderly and efficient conduct of its business, including adherence to the Company's Policy, the safeguarding of its assets, prevention and detection of fraud & error, the accuracy & completeness of the accounting records and the timely preparation of reliable financial information.

As per the section 177 of the Companies Act, 2013, Audit Committee of the Company regularly evaluates the internal financial control and risk management system in the Company.

10. Details of Subsidiary/Joint Ventures/Associate Companies

The Company does not have any subsidiary/ joint venture/ associate Company during the period under review.

11. Deposits

The Company has not received or accepted any deposit and maintained its non-acceptance of public Deposit NBFC status. The financials do not contain any figures that comes under the classification of deposits as specified under Chapter V of the Companies Act, 2013.

The Company has issued unsecured Debentures of Rs. 30,00,00,000/- in the form of NCD (eligible for Tier 2 capital classification) which is exempted and does not fall under deposits.

The Company has issued unsecured Debentures of Rs. 24,00,00,000/- in the form of Compulsory Convertible Debenture (CCD) which was mandatorily convertible by June, 2015, and the CCD does not fall under deposits. The CCD has been converted into equity shares on 10th June, 2015.

There is no such unpaid or unclaimed amount as at the end of the year and the Company has not defaulted in payment of interest during the year.

12. Statutory Auditors

The Statutory Auditors of your Company, M/s. S. R. Batliboi & Co., Chartered Accountants, Kolkata, hold office until

the conclusion of the ensuing Annual General Meeting. Certificate from the Auditors has been received to the effect that they are eligible to act as auditors of the Company under Section 141 of the Companies Act, 2013. The Audit Committee & Board recommends the appointment of M/s. S. R. Batliboi & Co., as Auditors of the Company from the conclusion of the ensuing AGM until the conclusion of the next AGM.

13. Auditors' Report

The observations of the auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

14. Share Capital

A) Issue of equity shares with differential rights: During the financial year, the Company did not issue any equity shares with differential rights.

B) Issue of sweat equity shares: The Company did not issue any sweat equity shares in the financial year under review.

C) Issue of employee stock options: The Company did not issue any employee stock options in the financial year under review.

D) Issue of Common equity Shares: The Company has issued ordinary equity shares to the following Investors in the financial year 2015-16:

SIDBI Trustee Company Limited (Samridhi Fund)- Allotment of 5,361,930 nos. equity shares of Rs. 10 each, at a premium of Rs. 34.76/-. (conversion of 24,00,000 nos. CCD of total nominal value of Rs. 24,00,00,000/- into equity shares)

DCB Bank Ltd. – allotment of 18,24,151 nos. of fresh equity shares of Rs. 10 each, at a premium of Rs. 44.82/-.

E) Issue of Preference Shares: The Company has issued preference shares to the following Investors in the financial year 2015-16:

AIDS Awareness Trust of Orissa – Issue and allotment of 30,00,000 nos. compulsory convertible preference shares (CCPS) of Rs. 10 each, at par.

F) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees

The Company did not make any provision of monies for the purchase of, or subscription for, shares in the company or its holding company, if the purchase of, or the subscription for, the shares by trustees is for the shares to be held by or for the benefit of the employees of the company. So the provision as provided in rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 is not applicable to the Company.

15. Extract of the annual return

An extract of the annual return in Form No. MGT- 9 forms part of this Board's report.

16. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The particulars as required under the provisions of Section 134 of the Companies Act, 2013 in respect of conservation of energy and technology absorption, your Company's operations involve low energy consumption. Wherever possible, energy conservation measures have already been implemented and there are no major areas where further energy conservation measures can be taken.

Foreign Exchange Earnings/Expense

Foreign exchange earnings and outgo	Amount in INR
Foreign Exchange earning Inflow	Nil
Foreign Exchange Expense Outflow	52,25,996

17. Corporate Governance

The report on corporate governance separately forms part of this report.

18. Information Technology

Your Company is extensively using information technology in its operations to monitor and control different activities. The Company is using a web version to store its Management information system. Apart from that, Company has also procured a HR module software to maintain its database. Activities like loan processing, Accounts, HR and MIS are technologically driven, obtained from third party providers with proper security.

19. Directors:

A) Changes in Directors

During the year 2015-16, Mr. R.V Dilip Kumar was appointed as Additional Director in the Board as a Nominee of SIDBI Trustee Company Limited and Mr. Ashok Ranjan Samal was appointed as Additional Director, Nominee of SIDBI replacing Mr. Pradip Kumar Saha. A brief table is given below on the details of change in the Board:

SI No	Name	Designation	Date of Appointment	Date of Cessation
1	Mr. R.V Dilip Kumar	Additional Director	27.08.2015	N.A
2	Mr. Ashok Ranjan Samal	Additional Director	24.09.2015	N.A
3	Mr. Pradip Kumar Saha	Nominee Director	13.07.2013	24.09.2015

B) Declaration by an Independent Director(s) and re- appointment, if any

A declaration by all Independent Director(s) that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 was obtained and placed before the Board.

C) Formal Annual Evaluation

The Board of the Company during its quarterly meetings discuss the performance of the Board to manage the Company. Evaluate its performance and discuss about its further scope for the betterment of the Company and to protect the interest of the Stakeholders. During the year the overall performance as a whole was satisfactory. The Company is also looking to induct one or more Independent Director in the Board to strengthen its composition.

It appreciated the contribution of each Board member in the Company as and when required, also appreciated that the Board is consist of professionals from different distinct i.e finance, account, audit, operation etc. which helped it for better decision making.

The Board also evaluated the performance of all committees and was satisfied with their functions and valuable recommendation to the Board for the betterment of the Company. The Board also noted the frequency of the meeting, type of discussion held in Committees and composition etc. and found satisfactory.

Evaluation of the Independent Directors by the Board

The Board of the Company consist of two Independent Director, Mr. Krishna Kumar Tiwary and Mr. Sean Leslie Nossel. Board reviewed the performance of the IDs and noted satisfactory to the requirement of the Company and

decided to continue with the terms of appointment.

20. Audit Committee

The Audit Committee which is acted as a subcommittee to the Board, duly performed its function as decided by the Board. It recommends various issues to the Board for their approval. However, there is no such instances where the Board had not accepted any recommendation of the Audit Committee.

21. Details of establishment of vigil mechanism for directors and employees

The Company has a whistle Blower policy to oversee and manage the Directors & employees related concern and the Vigil Mechanism is duly incorporated in the policy.

As per the policy a team of four members is constituted to receive all the reports/ complaints made under this policy. The team will be responsible for receiving all complaints under this policy, maintaining confidentiality and ensuring appropriate action.

The team is empowered to appoint an enquiry committee (as may be required) to conduct investigation and enquiries as part of their fact finding process. The members in this committee exhibit fairness, objectivity, thoroughness, ethical behavior and observes high standards of professionalism.

Further during the year, no such cases are occurred where any complaints received under the mechanism.

22. Particulars of loans, guarantees or investments under section 186

The Company is a Non-Banking Financial Companies classified as NBFC-MFI and the principle business of the Company is to provide loan. Hence, Section 186 will not applicable to your Company.

23. Particulars of contracts or arrangements with related parties:

During the year under review, the Company did not enter into any transactions that cover under related party as specified in sub-section (1) of section 188 of the Companies Act, 2013. A declaration in AOC-2 is annexed in this report.

24. Managerial Remuneration:

Details of the managerial remuneration as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is separately forms a part of this report.

25. Secretarial Audit Report

A Secretarial Audit Report given by M/s. Gopinath Nayak & Associates, a company secretary in practice also forms a part of this report. The report of the Auditor is self explanatory.

26. Risk Management

The Board has a sub Committee called Risk Management Committee to look after the Risk management part and the Company have also a separate Risk team. During the year, the Committee took up various issues related to Risk management and also put various policy before the Board. Partnered with IFC, the Company has also developed a Risk tool to diagnose various risk parameters.

27. Directors' Responsibility Statement

As per the clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Board of Directors hereby state that—

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern basis; and had laid down internal financial controls to be followed by the company, and that such internal financial controls are adequate and were operating effectively.
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

28. Acknowledgements

Your Directors would like to express their appreciation for the assistance and cooperation received from the Financial Institutions, Banks, Government Authorities, Borrowers, Vendors, Auditors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staffs and workers. For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

Sd/-

Gobinda Chandra Pattanaik

Managing Director

Place: Bhubaneswar

Date: 21st June, 2016

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
 (As on financial year ended on 31.03.2016)

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
 (Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

1.	Corporate Identification No.	U52234OR1986PTC015931
2.	Registration Date	30/04/1986
3.	Name of the Company	Annapurna Microfinance Private Limited
4.	Category/Sub-category of the Company	Company Limited by Shares Indian Non-Government Company Non Deposit Taking- Non-Banking Financial Company- Micro Finance Institution
5.	Address of the Registered office & Corporate office with contact details	HIG-97, Dharma Vihar, Khandagiri, Bhubaneswar- 751030, Odisha Plot No.- 1215/1401, Khandagiri Bari, Infront of Jayadev Vatika, Khandagiri, Bhubaneswar- 751030, Odisha Mobile No-8280336010, E-Mail Id- subrat@ampl.net.in, Website- www.ampl.net.in
6.	Whether listed company	Listed Company- Debt Instrument listed in Bombay Stock Exchange
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot no.31 - 32, Gachibowli, Financial District, Nanakramguda , Hyderabad – 500032 Tel No: 040 67162222, Fax No 040 23001153

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Prod-uct/service	% to total turnover of the company
1	On Lending to SHG Groups	64990	92.98 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATES COMPANY

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associates	% of Share held	Applicable Section
The Company do not have any holding/subsidiary or Associate Company					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	Nil	63,58,931	63,58,931	26.28	Nil	63,58,931	63,58,931	20.26	-6.02
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total of (A) (1)	Nil	63,58,931	63,58,931	26.28	Nil	63,58,931	63,58,931	20.26	-6.02
(2) Foreign									
a) NRIs – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total of (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) (A) (1) +(A) (2)	Nil	63,58,931	63,58,931	26.28	Nil	63,58,931	63,58,931	20.26	-6.02
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	10,00,000	10,00,000	4.13	Nil	28,24,151	28,24,151	9.00	4.87
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	2,39,923	2,39,923	0.99	Nil	56,01,853	56,01,853	17.85	16.86
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Overseas Corporate Bodies	Nil	16,596,220	16,596,220	68.59	Nil	1,65,96,220	1,65,96,220	52.89	-15.70

Sub-total (B)(1)	Nil	178,36,143	178,36,143	73.72	Nil	2,50,22,224	2,50,22,224	79.74	6.02
2. Non-Institutions									
a) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others (specify)	Nil	Nil	Nil	Nil		Nil	Nil	Nil	Nil
Non Resident Indians	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Overseas Corporate Bodies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Nationals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Clearing Members	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Bodies - D R	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2)	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	Nil	178,36,143	178,36,143	73.72	Nil	2,50,22,224	2,50,22,224	79.74	6.02
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	Nil	24,195,074	24,195,074	100	Nil	3,13,81,155	3,13,81,155	100	

B. Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Gobinda Chandra Pattanaik	62,92,731	26.01	0	62,92,731	20.05	0	-5.96
2	Dibyajyoti Pattanaik	66,200	0.27	0	66,200	0.21	0	-0.06
	Total	63,58,931	26.28	0	63,58,931	20.26	0	-6.02

C. Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of company	No. of shares	% of total shares of company
1.	At the beginning of the year	63,58,931	26.28	63,58,931	20.26
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	Nil		Nil	
	At the end of the year			63,58,931	20.26

D. Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	1,78,36,143	73.72		
1	RIF East 2	85,68,497	35.41	85,68,497	27.30
2	Belgian Investment Company	80,27,723	33.18	80,27,723	25.58
3	Small Industries Development Bank of India	10,00,000	4.13	10,00,000	3.19
4	SIDBI Trustee Company Limited	2,39,923	0.99	56,01,853	17.85
5	DCB Bank Ltd.	Nil	Nil	18,24,151	5.81
	At the end of the year			2,50,22,224	79.74

E. Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	63,58,931	26.28		
1.	Gobinda Chandra Pattanaik, Managing Director cum CEO	62,92,731	26.01	62,92,731	20.05
2.	Dibyajyoti Pattanaik, Director cum CFO	66,200	0.27	66,200	0.21
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year			63,58,931	20.26

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	36,748.90	2,400.00	-	39,148.90
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	36,748.90	2,400.00	-	39,148.90
Change in Indebtedness during the financial year		-	-	-
* Addition	45,312.29	1,600.00	-	46,912.29
* Reduction	-	-	-	-
Net Change	45,312.29	1,600.00	-	46,912.29
Indebtedness at the end of the financial year		-	-	-
i) Principal Amount	81,384.27	4,200.00	-	85,584.27
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,255.31	-	-	1,255.31
Total (i+ii+iii)	82,639.58	4,200.00	-	86,839.58

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Gobinda Chandra Pattanaik, MD	Dibyajyoti Pattanaik, WTD	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,75,004	17,88,004	54,63,008
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total (A)	36,75,004	17,88,004	54,63,008
	Ceiling as per the Act			

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Krishna Kumar Tiwary	Sean Leslie Nossel				
1	Independent Directors						
	Fee for attending board & committee meetings	70,000	0				70,000
	Commission	0	0				0
	Others, please specify	0	0				0
	Total (1)	70,000	0				70,000
2	Other Non-Executive Directors	A.R. Samal	Aditya Bhandari	P.K. Saha	Laetitia Counye	R. V. Dilip Kumar	
	Fee for attending board & committee meetings	10,000	0	20,000	0	10,000	40,000
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	Total (2)	10,000	0	20,000	0	10,000	40,000
	Total Managerial Remuneration						1,10,000
	Overall Ceiling as per Act						

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	CS	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) Income-tax Act, 1961	36,75,004	17,88,004	6,72,710	61,35,718
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	36,75,004	17,88,004	6,72,710	61,35,718

Key Managerial Personnel:

1. CEO - Mr. Gobinda Chandra Pattanaik
2. CFO - Mr. Dibyajyoti Pattanaik
3. CS - Mr. Subrata Pradhan

Notes:

1. Remuneration paid to Mr. Gobinda Chandra Pattanaik, in the capacity of Managing Director and CEO on consolidated basis.
2. Remuneration paid to Mr. Dibyajyoti Pattanaik, in the capacity of Whole-time Director and CFO on consolidated basis.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY- No such incident occurred during the period under review					
Penalty					
Punishment					
Compounding					
B. DIRECTORS- No such incident occurred during the period under review					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT- No such incident occurred during the period under review					
Penalty					
Punishment					
Compounding					

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

The Company did not entered into any contract or arrangement or transaction with any related parties.

2. Details of material contracts or arrangement or transactions at arm's length basis

No such material contracts or arrangement or transaction has occurred, during the period under review.

Managerial Remuneration

(Pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

1. **Ratio of remuneration of Director to median salary in 1:15 & Managing Director to median salary in 1:33.**
2. **Increment %**
 Chief Finance Officer: 24%
 Chief Executive Officer: 72%
 Company Secretary: 35%
3. **% increase in the median remuneration in the financial year: 13%**
4. **Number of permanent employees on the rolls of the Company: 1,389**
5. Annapurna has grown moderately in terms of branches, portfolio, employee strength etc. in the previous FY. To continue the growth & retain the skilled & trained employees, the compensation needed to be very much competitive. Taking into consideration all these facts the Average increment was 25% in previous FY.
6. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:** The salary structures of Key Managerial Persons are consist of some fixed and some performance based component. Since last three financial years, the Company has registered a consistent growth in terms of portfolio, expansion of Business, profit etc., the remuneration of KMP has also grown accordingly. The Company has not booked loss in any previous financial years.
7. **Variations in the net worth of the company as at the close of the current financial year and previous financial year:** Since previous year, the Net worth of the Company increased by Rs. 56.1 Crores & which is 88.12% in terms of percentage at the close of the current financial year.
8. **Avg. % increase in remuneration of Non Manager level is 21.4% & for Manager & above is 19.3%.**
9. **There is no variable component in the remuneration of directors.**
10. **No employee gets higher salary than the directors.**

SECRETARIAL AUDIT REPORT

To
 The Members,
 Annapurna Microfinance Private Limited
 Khandagiri, Bhubaneswar- 751030.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Annapurna Microfinance Private Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31.03.2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31.03.2016, according to the provisions of:

- I The Companies Act, 2013/1956 (the Act) and the Rules made thereunder;
- II The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - g. The requirements under the Debt Listing Agreements entered into with BSE Limited and The SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
 - h. The Memorandum and Articles of Association.
- VI RBI Act, 1934 and Rules & Guidelines made there under.

We have also examined compliance with the applicable clauses of the following:

The Listing Agreements entered into by the Company with the BSE Limited for its debt instruments. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above subject to the following observations:

- i Minutes of Board, Committees of Boards, Annual General Meeting and Extra Ordinary General Meeting have been drafted in due time and signed.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the company has issued shares on preferential basis through private placement as detailed herein below;

SL No.	Date of Allotment	Amount of Share Capital	Name of Allottees	Date of Filing of Return of Allotment
1	10 th June, 2015	5,36,19,300 (Equity)	SIDBI Trustee Company Ltd. – Samridhi Fund 24,00,000 CCDs being converted into Equity Shares	10 th June, 2015
2	24 th February, 2016	1,82,41,510 (Equity)	DCB Bank Ltd.	25 th February, 2016
3	30 th September, 2015	3,00,00,000 (Preference Capital)	AIDS AWARENESS TRUST OF ORISSA	10 th October, 2015

We further report that during the audit period, the company has issued debentures through private placement as detailed herein below;

SL No.	Date of Allotment	Amount of offer (In INR, in Crores)	Name of Allottees	Date of Filing of Return of Allotment
1	29/05/2015	38.40	Blue Orchard Microfinance, Fund SA, SICAV – SIF (BO-III)	09/06/2015
2	24/06/2015	11.00	Hinduja Leyland Finance Ltd 3 (CBO VIII)	02/07/2015
3	29/06/2015	2.00	IFMR Fimpact Investment (Senior Debt)	06/07/2015
4	30/06/2015	5.00	IFMR Fimpact Investment (Sub Debt)	06/07/2015
5	26/08/2015	15.00	Mahindra and Mahindra Financial Services Ltd (CBO X)	28/08/2015
6	14/09/2015	33.00	Microvest Short Duration Fund L.P	22/09/2015
7	23/09/2015	20.00	Aditya Birla Finance Ltd (CBO XI)	05/10/2015
8	04/12/2015	39.60	AAV Sarl – Symboitics 2	15/12/2015
9	08/12/2015	20.04	Microbuild I, B.V. (TJ-1)	15/12/2015
10	10/12/2015	26.70	Pettelaar Effectenbewa Arbedrijf N.V (TJ-2)	15/12/2015
11	15/03/2016	20.00	IFMR Capital Finance Private Limited	16/03/2016
12	28/03/2016	5.00	IFMR Capital Finance Private Limited	14/04/2016

We further report that during the audit period, the company has borrowed from Banks/FI's as detailed here in below;

S. No.	Bank Name	Amount of Loan (in Rs.)	Date of Filing
1	State Bank of India	15,00,00,000	16/04/2015
2	IFMR Capital Finance Private Limited	4,00,00,000	16/04/2015
3	ICICI BANK LIMITED	5,00,00,000	29/04/2015
4	IFMR Capital Finance Private Limited	5,50,00,000	12/05/2015
5	RELIANCE CAPITAL LTD	19,00,00,000	09/06/2015
6	Ananya Finance For Inclusive Growth Private Limited	2,00,00,000	02/07/2015
7	Corporation Bank	3,00,00,000	10/07/2015
8	RBL Bank Limited	15,00,00,000	24/07/2015
9	IFMR Capital Finance Private Limited	8,00,00,000	12/08/2015
10	IFMR Capital Finance Private Limited	8,00,00,000	10/09/2015
11	UCO Bank	17,20,23,000	10/09/2015
12	MAS Financial Services Limited	10,00,00,000	14/09/2015
13	Caspian Impact Investments Private Limited	6,00,00,000	08/10/2015
14	Oriental Bank of Commerce	15,00,00,000	12/10/2015
15	Maanaveeya Development & Finance Private Limited	10,00,00,000	13/10/2015
16	State Bank of Bikaner And Jaipur	10,00,00,000	07/11/2015
17	IDBI Bank Limited	30,00,00,000	23/11/2015
18	Axis Bank Limited	8,00,00,000	22/12/2015
19	Dena Bank	9,00,00,000	22/12/2015
20	Vijaya Bank	9,00,00,000	22/12/201 5
21	ICICI Bank Limited	10,00,00,000	29/12/2015
22	Canara Bank	10,00,00,000	20/01/2016
23	Indusind Bank Ltd	30,00,00,000	11/02/2016
24	NABARD	60,00,00,000	09/03/2016
25	RBL Bank Limited	25,00,00,000	22/03/2016

The Company has a overall Borrowing Limit of Rupees Nine Hundred Crores as approved by the Shareholders in their meeting on 11th December, 2015 and out of which the company has borrowed Rupees 852.66 Crores as on 31st March, 2016.

During the period of Audit, the company has filed all statutory returns with Income Tax Authority, ROC, RBI, Service Tax, Authorities under Labour Law, SEBI and Stock Exchange.

Place: Bhubaneswar

Date: 20.06.2016

Sd/-

For Gopinath Nayak & Associates
CS Gopinath Nayak

FCS No: 6251

CP No: 6558

Annapurna Microfinance Private Limited

Balance Sheet as at March 31, 2016

	March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
I. Equity and liabilities		
Shareholders' funds		
Share capital	3638,11,550	2619,50,740
Reserves and surplus	8338,02,567	3746,74,584
	11976,14,117	6366,25,324
Non-current liabilities		
Long-term borrowings	54658,90,890	22071,42,651
Deferred tax liabilities (net)	22,52,823	20,46,474
Other long-term liabilities	6,71,814	28,26,678
Long term provisions	258,12,325	100,39,217
	54946,27,852	22220,55,020
Current liabilities		
Other current liabilities	34382,96,913	19516,48,273
Short-term provisions	882,25,815	228,75,178
	35265,22,728	19745,23,451
Total	102187,64,697	48332,03,795
II. Assets		
Non-current assets		
Fixed assets	397,77,119	213,50,179
Long term loans and advances	26382,80,793	10675,96,910
Other non-current assets	3664,27,540	2122,36,392
	30444,85,452	13011,83,481
Current assets		
Current investments	-	36,00,000
Cash and Bank Balances	22897,21,145	11022,28,645
Short-term loans and advances	47373,23,483	23453,06,055
Other current assets	1472,34,617	808,85,614
	71742,79,245	35320,20,314
Total	102187,64,697	48332,03,795

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

Sd/-
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

Sd/-
Gobinda Chandra Pattanaik
Managing Director

Sd/-
Subrata Pradhan
Company Secretary

Place: Bhubaneswar
Date: June 21, 2016

Sd/-
Dibyajyoti Pattanaik
Director

Annapurna Microfinance Private Limited

Statement of Profit and Loss for the year ended March 31, 2016

	Year Ended March 31, 2016 (Rs.)	Year Ended March 31, 2015 (Rs.)
I. Income		
Revenue from operations	13963,00,872	5454,60,038
Other income	1055,00,271	572,86,295
Total Income	15018,01,143	6027,46,333
II. Expenses		
Employee benefit expenses	3132,22,826	1395,23,641
Depreciation expense	150,60,033	90,30,467
Finance costs	7397,81,430	3337,93,297
Provision for standard and non performing assets	433,99,338	230,95,255
Other expenses	1072,44,016	494,61,093
Total Expenses	12187,07,643	5549,03,753
Profit before prior period expenses	2830,93,500	478,42,580
Less: Prior period expenses (net of income)	-	26,02,252
Profit before tax	2830,93,500	452,40,328
Tax expense		
- Current tax	1009,88,260	99,29,269
- Deferred tax	2,06,350	47,46,772
Total tax expenses	1011,94,610	146,76,041
Profit for the year	1818,98,890	305,64,287
Earning per equity share (EPS)- annualised		
Basic (Rs.)	6.26	1.40
Diluted (Rs.)	5.43	1.35
Nominal value of share (Rs.)	10.00	10.00

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

Sd/-
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

Sd/-
Gobinda Chandra Pattanaik
Managing Director

Sd/-
Subrata Pradhan
Company Secretary

Place: Bhubaneswar
Date: June 21, 2016

Sd/-
Dibyajyoti Pattanaik
Director

Annapurna Microfinance Private Limited

Cash Flow Statement for the Year ended March 31, 2016

Particulars	Year Ended March 31, 2016 (Rs.)	Year Ended March 31, 2015 (Rs.)
A. Cash flow from operating activities		
Profit before tax	2830,93,500	452,40,328
Adjustment to reconcile profit before tax to net cash flows		
Depreciation expense	150,60,033	90,30,467
Provision for standard and non performing assets	398,59,159	230,95,255
Portfolio loans and other balances written off	35,40,179	-
Finance costs	7397,81,430	3337,93,297
Profit on sale of current investments	(302,34,911)	(102,88,294)
Management stock option compensation	111,95,855	134,82,983
Operating profit before working capital changes	10622,95,245	4143,54,036
Movements in working capital:		
Increase in other current and non-current assets	(705,98,987)	(513,85,427)
Increase in loans and advances	(39733,40,990)	(23232,96,716)
Increase in other long term liabilities, current liabilities and provisions	502,57,312	1058,04,499
Cash generated from operations	(29313,87,420)	(18545,23,608)
Direct taxes paid	(615,08,254)	(200,16,858)
Net cash used in operating activities (A)	(29928,95,674)	(18745,40,466)
B. Cash flow from investing activities		
Purchase of fixed assets	(334,86,973)	(217,82,014)
Sale / (Purchase) of current investments (net)	36,00,000	(24,00,000)
Increase in fixed deposits (net)	(2401,78,096)	(1178,70,873)
Profit on sale of current investments	302,34,910	102,88,294
Net cash used in investing activities (B)	(2398,30,159)	(1317,64,593)
C. Cash flow from financing activities		
Proceeds from issuance of equity share capital	1299,99,958	100,00,000
Proceeds from long-term borrowings (net)	48635,37,214	21577,97,308
Proceeds from issue of compulsory convertible debentures	-	2400,00,000
Interest and finance charges	(6720,89,540)	(2792,82,978)
Dividend paid on preference shares	(18,00,000)	(18,00,000)
Tax on preference dividend paid	(3,05,910)	(3,05,910)
Net cash from financing activities (C)	43193,41,722	21264,08,420
Net increase in cash and cash equivalents (A+B+C)	10866,15,889	1201,03,361
Cash and cash equivalents at the beginning of the year	9512,10,890	8311,07,529
Cash and cash equivalents at the end of the year	20378,26,779	9512,10,890
Components of cash and cash equivalents:		
<u>Balances with banks:</u>		
On current accounts **	19353,82,012	9376,87,271
Deposit with original maturity of less than three months	999,99,958	100,00,000
Cash on hand	24,44,809	35,23,619
Total cash and cash equivalents*	20378,26,779	9512,10,890

* Represents cash and bank balances 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.

For S.R.Batliboi & Co. LLP

Firm Registration No.301003E/E300005

Chartered Accountants

Sd/-

per Bhaswar Sarkar

Partner

Membership No.: 55596

Gobinda Chandra Pattanaik

Managing Director

Sd/-

Subrata Pradhan

Company Secretary

Place: Kolkata

Date: June 21, 2016

Place: Bhubaneswar

Date: June 21, 2016

For and on behalf of the Board of Directors of

Annapurna Microfinance Private Limited

Sd/-

Dibyajyoti Pattanaik

Director



ANNAPURNA MICROFINANCE PVT LTD

Annual Report 2016



financing livelihood

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Bhubaneswar,
Orissa - 751030

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